



Daily Report

China

FBIS-CHI-93-173
Thursday
9 September 1993

Daily Report China

FBIS-CHI-93-173

CONTENTS

9 September 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Foreign Ministry Holds Weekly News Briefing	1
On Yinhe, South Africa Sanctions [XINHUA]	1
Compensation Refusal 'Unjustifiable' [AFP]	1
12th Sino-UK Talks Set for 26-27 Sep [XINHUA]	1
NPC Delegation To Visit DPRK [XINHUA]	1
Nepalese Rulers' Visit Announced [XINHUA] *	1
Mauritanian President To Visit [XINHUA]	2
Yinhe Unloads Cargo in UAE, Departs for Home [XINHUA]	2
Liu Huaqiu Lauds Inspectors, Crew [XINHUA]	2
Further Comment on, Reaction to Yinhe, Inspection	3
'Newsletter' on Incident [XINHUA]	3
XINHUA: U.S. Explanation 'Gross Deception'	6
Journal Carries 'Signed Commentary' [XINHUA]	6
CHINA DAILY Article [9 Sep]	7
TA KUNG PAO Editorial [Hong Kong 9 Sep]	8
'Roundup' of World Opinion [XINHUA]	9
Correction to Item on Foreign Ministry Statement	10

Central Eurasia

Further on Qian Qichen-Kravchuk Meeting in Kiev [XINHUA]	10
Heilongjiang, Khabarovsk Reach Legal Dispute Accord [Harbin Radio]	11
Russian War Veterans Delegation Visits Nanjing [Beijing International]	11
Gorbachev Tells BBC Yeltsin Era 'Finished' [XINHUA]	11

Northeast Asia

DPRK Founding Anniversary Commemorated	11
Jiang, Li Peng Write Kim Il-song [Beijing International]	11
Qian Qichen Sends Letter to Counterpart [Beijing International]	12
Beijing Reception Reported [XINHUA]	12

Southeast Asia & Pacific

Australian Trade Minister's Visit Reported [XINHUA]	12
Li Lanqing Meets Cook [XINHUA]	12
Satellite, Telecom Contracts Signed [XINHUA]	13
Cook Sees Expansion of Trade Ties [AFP]	13
Li Lanqing, Wu Yi Meet SRV Trade Minister [XINHUA]	13
Wu Yi Urges Improved Border Trade [CHINA DAILY 9 Sep]	14
Guangdong's Xie Fei Meets SRV Party Delegation [Guangzhou Radio]	14
Reportage on Indonesian Official's Visit	15
Talks With Liu Shuqing [XINHUA]	15
Meets Song Jian [XINHUA]	15

Near East & South Asia

Further Reportage on Indian Prime Minister's Visit	15
Talks With Leaders Noted; Accords Proposed [Delhi Radio]	15
Li Peng Talks Said 'Very Fruitful' [Delhi Radio]	15
Nondiscriminatory Disarmament Urged [Delhi Radio]	16
Visit Ends; Foreign Secretary Comments [XINHUA]	16
Pakistan Spokesman on Sino-Indian Border Pact [XINHUA]	17

East Europe

Qian Qichen Visit to Romania Reported	17
Bucharest Arrival Noted [XINHUA]	17
Mentions Ties in Arrival Statement [XINHUA]	17
Meets President, Foreign Minister [XINHUA]	17
Slovenia Lauds China's Role in World Affairs [XINHUA]	18
Zou Jiahua Leaves for Official Visit to Poland [XINHUA]	18
Polish Official Views Visit, Ties [XINHUA]	18

NATIONAL AFFAIRS

Political & Social

BEIJING REVIEW on Biography of Deng Xiaoping [30 Aug-5 Sep]	19
Columnist Views Deng's Foresight, Guidance, Health [Hong Kong WEN WEI PO 6 Sep]	22
Bo Yibo's Work 'Provokes Controversy' [Hong Kong CHENG MING 1 Sep]	22
Former XINHUA Official Xu Jiatun on Hong Kong Issues [Hong Kong LIEN HO PAO 29 Aug]	24
Deng, Chen Factions View Anticorruption Fight [Hong Kong CHENG MING 1 Sep]	29
Article Urges Anti-Corruption Struggle [FAZHI RIBAO 24 Aug]	32
Supreme Court Calls for Strict Law Enforcement [XINHUA]	37
Ministry Allows 22 Foreign Law Firms To Open Offices [XINHUA]	37
Li Lanqing Views Education on National Teachers' Day	38
Capable People 'Essential' for Growth [XINHUA]	38
Lays Cornerstone for College Housing [XINHUA]	38
Vows Improved Teachers' Work Conditions [XINHUA]	38
Government Revises Literacy Plan for Under-50 Group [CHINA DAILY 8 Sep]	39
Health Official: Life Expectancy at 'Record High' [XINHUA]	40

Science & Technology

Song Jian on Basic Science, Technology Research [ZHONGGUO XINWEN SHE]	40
On Scientific Organs Entering Markets [ZHONGGUO XINWEN SHE]	41
Daya Bay Nuclear Power Plant Begins Trial Operation [Guangzhou Radio]	41
Government Expands Inland Telecommunications [CHINA DAILY 9 Sep]	41
Beijing Sets Targets for Information Industry [XINHUA]	42

Military

Defense Industry Produces More Civilian Products [XINHUA]	43
Merit Citations Conferred on Military Units [XINHUA]	43
Circular on Militia, Reservists in Enterprises Issued [XINHUA]	44
Lu Rongjing, Other Anhui Leaders Mark Army Day [ANHUI RIBAO 2 Aug]	44
Jinan Military Region Discipline Meeting Ends [Jinan Radio]	44
Guizhou Secretary at Military District CPC Congress [Guiyang Radio]	45
Hainan Military District Issues Circular on Secrecy [Haikou Radio]	46

Economic & Agricultural

Article on Financial, Taxation Reform, Part 4 [RENMIN RIBAO 25 Aug]	46
Bank of China Issues 10-Point Plan To Slow Economy [Hong Kong THE STANDARD 9 Sep]	47

'Largest' Brokerage Firm Opens in Beijing 8 Sep [CHINA DAILY 9 Sep]	48
Zou Jiahua Views Control of Fixed Asset Investments [XINHUA]	48
TV Series on Foreign Investment To Be Filmed in Fujian [XINHUA]	49
Aviation Officials Launch Safety Campaign [CHINA DAILY 9 Sep]	49

REGIONAL AFFAIRS

East Region

Ahnui Government on Autumn Field Management [ANHUI RIBAO 10 Sep]	51
Fujian Secretary Urges Eliminating Corruption [ZHONGGUO XINWEN SHE]	51
Fujian Governor Discusses Anticorruption Work [Fuzhou Radio]	51
Fujian Recovers Funds From Illegal Bank Loans [ZHONGGUO TONGXUN SHE]	52
Fujian Achieves 'Comprehensive' Economic Growth [XINHUA]	52
Jiangsu's Lianyungang Airport To Reopen [XINHUA]	53
Shandong Secretary Chairs Anticorruption Meeting [Jinan Radio]	54
Credit Cooperatives Develop in Shanghai [XINHUA]	54

Central-South Region

Local Guangdong Public Security Bureau Head Arrested [XINHUA]	55
Ex-Police Chief in Guangdong City on Corruption Charge [ZHONGGUO XINWEN SHE]	55
Guangdong Cracks Down on Counterfeit Commodities [ZHONGGUO XINWEN SHE]	56
Guangdong Governor at Symposium on Industry [Guangzhou Radio]	56
Guangdong To Receive Power From Southwest Provinces [XINHUA]	57
Guangzhou Considers Law To Punish Draft Dodgers [ZHONGGUO TONGXUN SHE]	58
Guangxi Organs Wage Anticorruption Struggle [Nanning Radio]	58
Hainan Discipline Organ on Anticorruption Struggle [Haikou Radio]	58
Hainan Secretary at Discipline Inspection Meeting [Haikou Radio]	59
Hubei Governor on Township, Town Enterprise Development [Wuhan Radio]	59

Southwest Region

Guizhou Secretary Addresses Anticorruption Meeting [Guiyang Radio]	60
Sichuan Criminal Executed for Selling Fake Fertilizers [Chengdu Radio]	61
State Makes 'Huge Investment' in Tibet Construction [RENMIN RIBAO 31 Aug]	61
Activities, Remarks of Yunnan's Pu Chaozhu	62
Views Socialist Market Economy [Kunming Radio]	62
Briefs Nonparty Groups on Corruption [Kunming Radio]	62
Yunnan Radio on Execution of Cigarette Dealer [Kunming Radio]	63

North Region

Hebei Secretary Attends Trade Union Congress [Shijiazhuang Radio]	63
Tianjin Secretary Discusses Organizational Work [Tianjin Radio]	63

Northwest Region

Gansu Secretary Addresses Anticorruption Work [Lanzhou Radio]	64
Qinghai Secretary Urges Greater Ethnic Unity [Xining Radio]	64

TAIWAN

Naval Officials Refuse Comment on Missile Reports [CNA]	66
Ministry Aerospace Center To Diversify Activities [Taipei Radio]	66
Meeting Pledges More Stringent Wildlife Protection [CNA]	66
Economics Minister Visits Sweden on European Tour	66
Arrives in Stockholm 5 Sep [CNA]	66
Meets Swedish Counterpart 6 Sep [CNA]	67
Swaziland Supports Taipei's Bid for UN Membership [CNA]	67

HONG KONG & MACAO

Hong Kong

Sino-British Talks on Hong Kong Continue	68
11th Round Begins 8 Sep [Hong Kong WEN WEI PO 9 Sep]	68
'No Breakthrough' in 10th Round [Hong Kong MING PAO 6 Sep]	68
PRC Preparing for Talks 'Breakdown' [Hong Kong THE STANDARD 9 Sep]	69
Lu Ping Rejects Changing HK Civil Service System [Hong Kong WEN WEI PO 8 Sep]	70
Lu Ping on SAR Passport, Entry, Departure Freedom [Hong Kong TA KUNG PAO 7 Sep]	71
NPC's Wang Hanbin Meets Hong Kong Party Delegates [XINHUA]	72
Legislative Councillor Denies PRC Spy Allegations [Hong Kong SOUTH CHINA MORNING POST 9 Sep]	72
Further on Issue of Dissident in Hong Kong	73
Han Seeks Talks With PRC Officials [Hong Kong SOUTH CHINA MORNING POST 9 Sep]	73
PRC Warns Han Associate on Subversion [Hong Kong SOUTH CHINA MORNING POST 9 Sep]	73
Public Security Official on Case [Hong Kong TA KUNG PAO 8 Sep]	74

General

Foreign Ministry Holds Weekly News Briefing

On Yinhe, South Africa Sanctions

OW0909103493 Beijing XINHUA Domestic Service in Chinese 0941 GMT 9 Sep 93

[Text] Beijing, 9 Sep (XINHUA)—At a news conference this afternoon, Foreign Ministry Spokesman Wu Jianmin criticized the United States for spreading rumors on the Yinhe incident. He also stated China's position on removing sanctions against South Africa.

A reporter asked: Some people within the U.S. Government maintained that the Yinhe had precursors of chemical weapons on board, but they were unloaded en route. What is China's comment?

Wu Jianmin said: Although the truth of the Yinhe incident has been thoroughly revealed, the United States is still spreading rumors to defend its mistake. This approach can only make the mistake even more conspicuous. Incidentally, these rumors are very stupid [shi fen zhuo lie 0577 0433 2154 0503]. They show a lack of basic common sense [que fa qi ma de chang shi 4972 0042 6386 4316 4104 1603 6221]. They sound like "superman" stories. China has no "superman."

A reporter asked: Mandela called for removing all sanctions against South Africa by the end of September. Will China respond to this call positively?

Wu Jianmin said: Ever since China terminated its economic and trade ties with South Africa in July 1960, China has been strictly observing UN economic sanctions against South Africa. "I believe that China will, like the international community, respond positively to Mandela's call."

Compensation Refusal 'Unjustifiable'

HK0909093093 Hong Kong AFP in English 0852 GMT 9 Sept 93

[Excerpt] Beijing, Sept 9 (AFP)—Ridiculing the United States as "stupid," China renewed demands Thursday for U.S. compensation for harassing one of its ships, but appeared to rule out any retaliatory action. It also rejected allegations by U.S. officials that the Yinhe, suspected of transporting chemical weapons agents to Iran, had secretly dumped the cargo on route.

Washington has refused to pay Beijing losses for its insistence on an inspection of the ship. A U.S.-observed inspection at the Saudi Arabian port of Damman last week found no chemical weapons precursors.

"The U.S. refusal to make a compensation is entirely unjustifiable," Foreign Ministry spokesman Wu Jianmin said at a weekly briefing. The spokesman denied that an agreement had been reached freeing the U.S. from any

financial responsibility but when asked what else Beijing would do in the face of Washington's refusal, he put forward nothing new.

"The Chinese side will insist on U.S. compensation for the financial losses," he said, describing the losses as "very heavy." [passage omitted]

12th Sino-UK Talks Set for 26-27 Sep

OW0909081493 Beijing XINHUA in English 0758 GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—China and Britain will hold their 12th round of talks here from September 26 to 27 on the arrangement for 1994/1995 elections in Hong Kong, according to the Chinese Ministry of Foreign Affairs.

The ministry said the two sides have agreed that Jiang Enzhu, the Chinese Government representative and vice-minister of foreign affairs, and Robin McLaren, the British Government representative and ambassador to China, will hold the talks in accordance with the Sino-British Joint Declaration, the principle of convergence with the Basic Law for the Hong Kong Special Administrative Region and agreements and understandings reached between the two countries.

NPC Delegation To Visit DPRK

OW0909081893 Beijing XINHUA in English 0809 GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) headed by Wang Hanbin, vice-chairman of the NPC Standing Committee, will pay a goodwill visit to the Democratic People's Republic of Korea (DPRK) from September 13 to 20.

Wang is also an alternate member of the Political Bureau of the Central Committee of the Communist Party of China. The delegation will visit DPRK at the invitation of the Supreme People's Assembly of the DPRK.

A Chinese Foreign Ministry spokesman made this announcement here today.

Nepalese Rulers' Visit Announced

OW0909080993 Beijing XINHUA in English 0751 GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—At the invitation of Chinese President Jiang Zemin, Their Majesties King Birendra Bir Bikram Shah Dev and Queen Aishwarya Rajya Laxmi Devi Shah of the Kingdom of Nepal will pay a state visit to China from 20 to 27. [sentence as received]

This was announced by a Chinese Foreign Ministry spokesman here this afternoon.

Mauritanian President To Visit

OW0909080593 Beijing XINHUA in English 0747
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—At the invitation of Chinese President Jiang Zemin, President Maouiya Ould Sid'Ahmed Taya of the Islamic Republic of Mauritania will pay an official goodwill visit to China from 17 to 24. [sentence as received]

A spokesman for the Chinese Foreign Ministry made this announcement here this afternoon.

Yinhe Unloads Cargo in UAE, Departs for Home

OW0909035893 Beijing XINHUA Domestic Service in Chinese 1603 GMT 8 Sep 93

[By reporters Chen Wenru (7115 2429 1172) and Jiao Yensheng (3542 3601 3932)]

[Text] Beijing, 8 Sep (XINHUA)—The Chinese ocean-going cargo ship Yinhe left Dubai, the United Arab Emirates [UAE], to begin its homeward voyage this afternoon after unloading its cargo, including the entire 515 containers to be sent to Iran, at Dubai port.

The Yinhe set sail from Damman port, Saudi Arabia, on 6 September. It entered Dubai's al-Rashid port—the largest modern port for transshipment and with container wharves in the Middle East—on the night of 7 September. When it entered the port, UAE citizen Salimu Layisi [name as published], who is the agent for the China Ocean Shipping Company in Dubai and president of the Layisi Shipping Company, boarded the ship to greet the crew with a basketful of fresh flowers.

Yang Shanzhun, charge d'affaires ad interim at the Chinese Embassy in the UAE, and Gao Daozhou, Chinese consul general in Dubai, also boarded the Yinhe with flowers and fruit to express sympathy for the 38 crew members who suffered much hardship for more than 20 days, having had to put up with high temperatures of 40 to 50 degrees Celsius.

When Consul General Gao Daozhou inquired about the health of the crew members, Captain Zhang Rude said: Although the crew members were very tired, when the inspection showed that the ship was not carrying the two chemical weapons precursors thiodiglycol and thionyl chloride, as alleged by the United States, and the U.S. side accordingly had no choice but to endorse the "inspection report," everyone of them felt proud, elated, heartened, and completely seized with a sense of pride as a member of the Chinese crew.

Capt. Zhang told our reporters that if all goes smoothly, the Yinhe will arrive at the new port in Tianjin on 24 September. He added: The Yinhe will leave immediately after loading at the new port and will return to the Gulf route.

Since its arrival in the Gulf of Oman on 2 August, the Yinhe had been drifting on the high seas for 24 days, being unjustifiably stalled by the United States, which accordingly caused enormous economic losses.

Liu Huaqiu Lauds Inspectors, Crew

OW0909115193 Beijing XINHUA Domestic Service in Chinese 0959 GMT 9 Sep 93

[Text] Beijing, 9 Sep (XINHUA)—The Chinese inspection group for the Yinhe cargo ship, led by Sha Zukang, director of the Ministry of Foreign Affairs' Department of International Organizations and Conferences, returned to Beijing today from Saudi Arabia via the United Arab Emirates.

The group was met at the airport by Vice Foreign Minister Liu Huaqiu; Assistant Foreign Minister Qin Huasun; and responsible persons from departments concerned from the Ministry of Communications, Ministry of Chemical Industry, and the General Customs Administration.

Liu Huaqiu said at the airport: The Chinese inspectors who took part in inspecting the Yinhe cargo ship, with a high degree of political enthusiasm and sense of responsibility, and with a spirit of seriousness and of seeking truth from facts, cooperated closely with Saudi personnel, overcame difficulties and obstacles, successfully accomplished the inspection task, and defended the motherland's dignity.

He said: During the more than 40-day incident, the Yinhe crew members overcame many unexpected hardships, feared neither the shadowing warships nor the harassing airplanes, and withstood the rigorous test. Their loyalty to the motherland and to their duties, their undaunted spirit, and their deeds in defending the motherland's reputation, rights, and interests deserve our admiration.

Liu Huaqiu pointed out: The Yinhe incident showed that new hegemonism and power politics are unpopular and doomed to fail.

The Chinese inspection group left Beijing for Saudi Arabia on 24 August. The Chinese inspection group and Saudi representatives conducted an exhaustive inspection of the Yinhe's cargo from 26 August to 4 September in the Saudi port of Damman. The results of the inspection showed that the ship did not carry the two kinds of chemicals—thiodiglycol and thionyl chloride—alleged by the United States. Technical experts dispatched by the U.S. Government participated in the inspections in the capacity of advisers to the Saudis.

Further Comment on, Reaction to Yinhe, Inspection

'Newsletter' on Incident

OW0609040693 Beijing XINHUA Domestic Service in Chinese 1311 GMT 5 Sep 93

["Newsletter" by reporter Liu Yegang (0491 0048 0474): "The Whole Story of the Yinhe Incident"]

[Text] Beijing, 5 Sep (XINHUA)—It was 4 September 1993. The port of Damman, Saudi Arabia.

After 10 days of hard work, members of the Chinese and Saudi Arabian inspection groups participating in inspecting cargoes carried by the Chinese freighter Yinhe and U.S. experts participating in the inspection as technical advisers of the Saudi side completed inspection of all the cargoes carried by the Yinhe. With a complete different frame of mind, head of the Chinese inspection group Sha Zukang, Saudi representative 'Abdallah, and U.S. technical adviser Maclean put their signatures on the final inspection report, which said: "A complete inspection of the containers carried by the Yinhe shows that it was not carrying the two types of chemicals—thiodiglycol and thionyl chloride. The U.S. Government undertakes to inform the governments of the countries at which the Chinese cargo ship Yinhe had been scheduled to call of the results of this inspection and to seek to ensure a smooth entry of the ship into the ports concerned to unload its cargo."

Now, the truth about the allegation that the Chinese cargo ship Yinhe was carrying dangerous chemical weapons to Iran has finally come to light.

Since 3 August the Chinese cargo ship Yinhe, which had been conducting normal international commercial shipping, had been wrongly accused and subjected to humiliation and had been forced to suspend normal shipping for three days. The incident aroused the concern of the Chinese people. The incident appears to begin to subside after the inspection report finally proved that the Yinhe was clean. However, many questions still remain in people's mind: What happened to the Yinhe incident? Why has this ordinary cargo ship aroused such an uproar in the world? Why has this incident lasted such a long time? What conclusions can people draw from the incident?

With these questions in mind, this reporter recently interviewed separately relevant officials who were directly responsible for and who directly participated in handling the Yinhe incident. The following is the inside story of the incident:

Weakness Lends Wings to Rumors

On 23 July, officials of the U.S. Embassy in China requested an emergency meeting with officials of the International Department of the Chinese Foreign Ministry, declaring: The U.S. side has obtained accurate intelligence to the effect that the Chinese cargo ship

Yinhe departed from the port of Dalian on 15 July and is heading for 'Abbas, Iran, with a load of thiodiglycol and thionyl chloride—materials for making chemical weapons. The U.S. Government demanded [yao qiu 6008 3061] that the Chinese Government immediately adopt measures to stop the export of these materials. Otherwise, the United States would impose sanctions against China according to the U.S. law. While making further representations with the Chinese Foreign Ministry on 3 August, the U.S. side, going so far as to ignore the basic principle of nonviolation of state sovereignty and noninterference in the internal affairs of other countries, demanded that the Chinese Government either order the return of the ship to its port of departure, or allow Americans to go aboard the ship and conduct inspection to verify whether the ship carried the above mentioned chemicals, or order the ship to stop at a certain place and allow Americans to do as they pleased [ting ping fa luo 8126 0417 4099 5507].

In fact, before the United States made representations with the Chinese Government, or since 1 August, two U.S. warships had already started to follow the Yinhe at a distance of two nautical miles on both sides of the Chinese ship. U.S. warplanes had also continually circled over the Chinese ship to conduct reconnaissance and take aerial photos. The harassment by the U.S. warships and warplanes severely interrupted the normal navigation of the Yinhe. On 3 August the Chinese ship had to temporarily suspend its advance by dropping anchor on the high seas at a place some 10 nautical miles off the Strait of Hormuz.

Meanwhile, the United States informed the Gulf countries of the above-mentioned exaggerated "intelligence." The Western media vigorously played up the U.S. "discovery." At the beginning, they said the Yinhe was carrying sensitive chemicals, and then they said it was carrying a full load of chemical weapons. They even said the ship was carrying nuclear weapons. It seemed the Yinhe had become a "plague" ship.

Extensive Investigation

The Americans described their "intelligence" as "absolutely accurate." Although China has clear and definite regulations on banning and restricting chemicals of this category, it did not make a hasty and immediate denial. Instead, it took a serious attitude toward the issue. The departments concerned of China conducted a 12-day serious, extensive, and comprehensive investigation on Yinhe cargo ship and its cargo, and found out the detailed situation of the ship.

The results of investigation proved that the U.S. "intelligence" was full of self-contradictions. Let us talk about the ship first. The Yinhe is a regular container ship of the Guangzhou Ocean Shipping Company of China, plying a Middle East route between the ports of Tianjin New Port, Shanghai, Hong Kong, Singapore, Jakarta, Dubai, Damman, and Kuwait. It left Tianjin New Port for Shanghai on 7 July, and left Shanghai for Hong Kong on

12 July. It was originally scheduled to arrive in Dubai on 3 August after stopovers in Jakarta and Singapore. This shows that it was absolutely impossible for the ship to set sail from Dalian, nor did it plan to sail to any Iranian ports. The United States said that the destination of the Yinhe was Iran's 'Abbas Port. In fact, that port has no container piers at all. What can the Yinhe do there? Next, let us talk about the cargo. The departments concerned have seriously checked the shipping bill and the bill of landing of the Yinhe and verified them with the cargo owners. Thirty containers were indeed bound for Iran, but they contained mainly stationery, metal fittings, machinery spare parts, and dyestuff, which, together with 80 percent of the ship's other cargo, were scheduled to be unloaded in Dubai, the United Arab Emirates, before being transhipped to Iran. There was no trace of thiodiglycol and thionyl chloride which the U.S. side alleged the ship was carrying. The United States has a very strong intelligence force, and it is said that it could "detect anything." However, its so-called "accurate intelligence" on the Yinhe proved so poor, and it is indeed amazing that U.S. policymakers have gone so far as to believe it so firmly.

As for the two chemicals, thiodiglycol and thionyl chloride, according to chemists, thiodiglycol is a colorless transparent liquid like syrup, and it is a raw material mainly for making preservatives, insecticide, herbicide, dyestuff for cotton textiles, and ball pen ink. Thionyl chloride is a colorless or light yellowish liquid, and it is mostly used in making organic synthetics, dyestuff, agricultural drugs, and other medicines. Some countries had used these two chemicals for military purposes, such as making mustard gas and other agents for chemical warfare. The "Convention on Banning Chemical Weapons" signed last January stipulates that the transfer of these two chemicals should be subject to control. According to responsible persons of the Chinese departments concerned, China formulated, as early as 1990, measures banning and restricting such chemicals. Therefore, it was absolutely impossible for a so-called large quantity of thiodiglycol and thionyl chloride to be on board the Yinhe cargo ship.

Stern Representations

On 4 August, Chinese Foreign Ministry informed the United States of the results of our investigation, pointed out to the U.S. side that its intelligence was highly inconsistent with facts, and made stern representations [yan zheng jian she 0917 2973 0074 3195] with the U.S. side. It pointed out to the United States that China has always assumed a prudent and responsible attitude toward chemical exports, has formulated extremely stringent measures to control its chemical exports and has never exported the chemicals, technology, and equipment which can be used for making chemical weapons. It is utterly unjustifiable that the United States, for no reason, had alleged that the Chinese cargo ship Yinhe was shipping two precursors of chemical weapons to Iran, and had blatantly interfered with the ship's normal commercial navigation. The Chinese side

also asked the U.S. side to immediately stop obstructing and disturbing the Yinhe so as to ensure that the ship could dock and unload its cargo at the ports concerned.

However, the false intelligence of the United States and its hegemonist practice [ba quan zhu yi zuo fa 7218 2938 0031 5030 0254 3127] have already caused serious consequences [yan zhong hou guo 0917 6850 0683 2654]. As the Yinhe was compelled to stay adrift on the high seas in the Gulf region, it began to suffer serious fuel and water shortages and needed immediate resupplies. On the evening of 4 August, after repeated efforts to make representations and arrangements, the United Arab Emirates generously extended help by sending a tugboat with 60 metric tons of fuel and 60 metric tons of water for the Chinese ship. However, the United States went so far as to describe this as an Iranian ship heading for the Yinhe and warned the Chinese ship against entering the Iranian port.

Because of the U.S. obstructions, the Yinhe could not obtain permission to enter the ports concerned to unload its goods on time. On 7 August, Qin Huasun, assistant minister of the Chinese Foreign Ministry, was ordered to summon U.S. Ambassador to China Stapleton Roy to an emergency meeting at which he lodged a strong protest against the hegemonic act taken by the United States against the Yinhe. Qin Huasun stressed that in international relations it is a violation of international laws and of the norms governing international relations to take action against a sovereign country on the basis of unreliable so-called intelligence. The action taken by the U.S. side has gratuitously damaged China's international image, interfered with normal shipping by Chinese ships, interrupted normal relations and trade contacts between sovereign countries, caused serious economic losses to the Chinese side, seriously threatened the safety of the Chinese ship and its crew members, and cast a new shadow over Sino-U.S. relations. The Chinese side strongly demanded [yao qiu 6008 3061] that the U.S. side immediately adopt measures to ensure that the Yinhe smoothly enter port to unload its goods according to the original schedule, that the U.S. side bear responsibility and pay compensation for the consequences and losses caused by its unreasonable act, and that it ensure that in the future it will not interfere in the normal shipping and commercial activities of Chinese merchant ships.

Despite repeated serious representations made by the Chinese side, the United States still stubbornly stuck to its so-called "intelligence." On 12 August, a high-ranking official of the U.S. side said: "We have reliable intelligence to prove that the ship (Yinhe) carried chemical weapons. We are determined to inspect the ship."

In order to clarify the truth of the matter to the international community, bring about an early solution to the issue of the Yinhe being obstructed, avoid further serious losses by the Chinese side and by the owners of the goods, and alleviate the sufferings of the Yinhe seamen, the Chinese side proposed to the U.S. side on 4 August

that an inspection of the cargo on the ship be conducted by a third country and the Chinese side. With efforts being made by various sides, the government of the Kingdom of Saudi Arabia agreed to allow the Chinese ship to dock at the Damman port and send representatives to join the Chinese inspection group in inspecting the Yinhe. The United States would also send experts to join in the inspection as the Saudi side's technical advisers. After drifting on high seas for 22 days, the Yinhe finally arrived at Saudi Arabia's Damman port to await inspection.

Storm Over Cargo Inspection

On 26 August, the inspectors from the Saudi, Chinese, and U.S. sides arrived at the Zukorol [name as transliterated] Naval Base near the port of Damman. The first round of talks by the three sides was held, presided over by Commodore Yintulaxing [name as transliterated], commander of the naval base and the chief representative of the host country. After the Saudi side proposed the draft inspection procedures, the three sides reached agreement after nine hours of negotiations: Going over the statement of goods on the Yinhe; finding out the cargo destined for Iran; carrying out an external inspection of the goods; noting that the containers in doubt may be unloaded and opened for inspection; after the inspection has been completed, the three sides will sign and publish the report of inspection.

The representatives of the three sides arrived at the dock on the morning of 28 August. When the inspection began, it was past 1000 and the temperature under the sunlight was 65 degrees centigrade. Some of the U.S. personnel, who for the first time had a chance to inspect a Chinese ship in so many years, wore desert camouflage clothing while others wore gas masks. They carried different kinds of equipment in their hands and acted as if they were about to verify their "intelligence." When the first container destined for Iran was opened, there were lead-sealed drums painted with black lacquer. The Americans were wild with joy, but when the drums were opened, they discovered that there were dyestuffs of different colors. After that, 23 containers bound for Iran were opened, but they only contained stationery, metal fittings, and machinery spare parts which were exactly what the Chinese told them in Beijing. There was no trace of the two chemicals the U.S. side had been looking for.

Such inspection results were evidently not what the U.S. side had hoped for. Facing the results, U.S. experts began to be at their wits' end. In order to prove the accuracy of their intelligence, they proposed to expand the scope of inspection and inspected six containers transshipped from Hong Kong. U.S. inspectors, despite their capacity only as technical advisers to Saudi Arabia, personally took a hand in searching the containers. Again, they found nothing. Then, at the request of the U.S. side, 19 containers with destinations other than Iran were also inspected. The results were the same. From then on, the U.S. side took samples from all liquid cargo stored in

drums and sent them to labs for analysis. To show the importance they attached to the lab test, all test agents were delivered from U.S. warships. Nevertheless, the test results made the Americans even more embarrassed. Someone joked that if the Americans found any Coca-Cola on board, they would also send it to labs for testing.

More and more containers were opened and inspected, but the Americans still found nothing. However, they were not reconciled to the inspection results, nor were they ready to accept the reality. They went so far as to unilaterally tear up the agreement reached by the three parties and unreasonably demanded the inspection of all the cargo on board, including the cargo dispatched from other countries.

Chinese inspectors asked the U.S. side for justification of the expanded inspection. The U.S. side could not produce any evidence, except for repeatedly saying that "Washington firmly believes that those two kinds of chemicals are on board." A responsible person of the U.S. side eventually said "bluntly" that Washington, even without any evidence, had suspicion of the cargo on board the Yinhe, including the cargo from Japan, Singapore, and other countries. They threatened that they would not accept the outcome of the inspection unless all the cargo was checked by the U.S. side.

On 1 September, Chinese Foreign Ministry officials immediately summoned U.S. Embassy officials, made representations on U.S. act of going back on its own words and its breach of faith, unequivocally expressed our position of opposing U.S. inspection of the cargo from other countries, and requested the U.S. side to bear responsibility for all consequences arising from such an inspection. At the same time, the U.S. side was requested to: 1) make a written confirmation of the results of inspection which had been completed so far; namely, to confirm that those chemicals alleged by the U.S. side were not found in the 49 containers dispatched from China; and 2) promise to join the representatives of China and Saudi Arabia in signing a joint inspection report after inspecting the cargo on the Yinhe.

The Truth Has Been Brought to Daylight

To prevent the U.S. side from provoking new incidents and disavowing the inspection results, the responsible person of Chinese inspection team proposed that daily inspection record be reconfirmed and signed by the three parties. Under the pressure of justice, the U.S. side had to accept the proposal. From then on, the column of thiodiglycol and thionyl chloride on the daily inspection check-off lists was invariably marked with the word "none," and the signatures of the representatives of the three parties, in different languages, appeared at the bottom of daily inspection record.

On 4 September, the last container, the 782d one, on the Yinhe was inspected, with the same results as the first one.

The last gleam of hope of the United States, which had attempted to seize some evidence to damage China's reputation under the pretense of preventing chemical weapons proliferation, was completely shattered.

On the same day, the representatives of China, Saudi Arabia, and the United States, signed the inspection report for all the cargo.

In the present day, in the 1990's, a nation like the United States, which labels itself as a nation upholding "law" and "democracy," has gone so far as to do whatever it wishes in the world. If it continues to do this way, then how many more ordinary cargo ships like the Yinhe would be subject to the same sufferings again? Will generally acknowledged truth still be recognized in this world?

XINHUA: U.S. Explanation 'Gross Deception'

CM0909112793 Beijing XINHUA Domestic Service in Chinese 1432 GMT 8 Sep 93

["Commentary" by Ying Qian: "U.S. Explanation on Yinhe a Deception"]

[Text] Washington, 7 Sep (XINHUA)—Commentary: A Gross Deception Will Only Serve To Make the Mistake More Conspicuous [zi qi qi ren yu gai mi zhang 5261 2952 2952 0086 2948 556 1736 1757]

The truth of the Yinhe incident, which has attracted worldwide attention, has come to light. Yet before the ironclad facts, the United States, the sole instigator of the international farce, instead of acknowledging its mistake, talks a lot about how "credible" its "intelligence" was in an attempt to conceal its awkward situation.

When the results of inspection of the Yinhe were made public on September 4, the U.S. State Department spokesman acknowledged in a brief written statement that the inspectors did not find the two chemical weapon precursors, thiodiglycol and thionyl chloride, as alleged by the United States. But the statement touched only lightly on the United States' hegemonic acts of brutally trampling on international law and norms governing international relations [mei guo zheng fu cu bao jian ta guo ji fa he guo ji guan xi zhun ze di ba quan zhu yi xing jing 5019 0948 2393 1650 4723 2552 6432 6431 0948 7139 3127 0735 0948 7139 7070 4762 0402 0463 4104 7218 2938 0031 5030 5887 1777], describing them only as "the inconvenience to the Yinhe and to the governments of Saudi Arabia and China."

At the press briefing on Tuesday [7 September], the spokesman played the old tune set in the statement. He reiterated that the U.S. side had "sufficient credible information that those items were in the cargo." He also repeated the U.S. "three no's" stand: no acknowledgement of a mistake, no apology, and no compensation. But, as some pressmen pointed out at the briefing, such stubborn insistence on claiming that the Yinhe was

carrying chemical weapon ingredients was a "surprising mistake" and such accusations against China would serve to cast doubt on the U.S. Government's credibility. Some other pressmen also questioned how the United States, who said it did not do wrong in the incident, could explain the failure of the "credible information" in coinciding with the inspection results.

In a poor effort to justify himself, the spokesman, who hemmed and hawed, said some sources in the U.S. Government had suspected that the banned chemicals were dumped into the sea by the ship enroute to Saudi Arabia.

This absurd rumor has appeared on local press already. A report carried by THE NEW YORK TIMES on September 3 quoted officials as saying that "the inspection was unlikely to confirm the original intelligence that Washington had acted upon, since there have been ample opportunities for the crew of the Yinhe to dispose of any illicit cargo it might be carrying." Two days later, THE LOS ANGELES TIMES also quoted officials as saying that "the chemicals were secretly unloaded or dumped from the ship."

A reporter, who had long foreseen that the U.S. side would mislead public opinion by resorting to sham information plus trickery [jia qing bao shang zai jia xu gou 0250 1906 1032 0006 0375 0502 5711 2845], sought opinions from a relevant expert. The expert told him that containers stacked on a ship could only be handled by cranes at container docks and could not possibly be moved when the ship was at sea. Further, as the Yinhe had been under surveillance by U.S. warplanes and warships day and night, it was just unbelievable that 24 containers could have been dumped into the sea without being detected.

The spokesman's attitude of no acknowledgement of mistake and no apology can help further expose the rude and unreasonable hegemonism pursued by the U.S. Government. His quibble, a gross deception, will only serve to make the mistake the U.S. wants to hide more conspicuous and make it a laughing stock.

Journal Carries 'Signed Commentary'

OW0809165393 Beijing XINHUA in English 1616 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—The latest edition of the Chinese magazine "OUTLOOK" [LIAOWANG] says that it is advisable that the United States draw certain lessons from the Yinhe incident caused by its wrong information, judgement and actions.

A signed commentary in the mass-circulation weekly advised some people in the United States not to look on the more than a month long incident of the Chinese cargo ship Yinhe as simply a matter of who wins, but rather learn something from the experience.

First, it said, the United States should have a correct understanding of the importance of Sino-American relations and put them back on course for healthy development.

It pointed out that the Yinhe incident was not an isolated one and the wrong actions by the United States against the Yinhe appeared to have reflected a certain attitude of some Americans toward China.

The commentary linked the July 23 U.S. allegation that the Yinhe was carrying a cargo of banned chemicals with its late August announcement of sanctions against China and Pakistan on the grounds that China was exporting M-11 missiles to the latter, and with the recent U.S. sale of AWACS planes to Taiwan which had violated the Sino-U.S. accord.

Noting the positive signs in Sino-U.S. ties after President Bill Clinton announced the extension of China's most favored nation status in late May, the commentary said that people had reason to think that there existed a certain force in the United States attempting to disrupt the improving Sino-U.S. ties.

It further pointed out that some Americans had belittled the importance of Sino-U.S. ties, taking the view that a joint effort opposing the former Soviet Union—a major factor towards bringing China and the U.S. together—was no longer needed after the Soviet Union's disintegration in 1991.

The commentary also said it was politically shortsighted for some Americans to look on China as an "enemy" or "potential enemy" for ideological reasons.

It was wrong no matter whether the view was taken on the basis of the current international set-up, new geopolitics and geo-economics or considering China's consistent stand of never being a superpower and its call for a peaceful environment for the country's modernization effort, the commentary pointed out.

Secondly, "OUTLOOK" suggested that the United States make a sober assessment of itself and find a proper place for itself on the international scene.

As the only superpower, the United States had the duty to commit itself to the world's peace and stability. However, this did not mean that the U.S. should play "world cop".

The commentary pointed out that the Chemical Weapons Convention would not be effective until at least 1995, the verification system has not yet been put in place and the United States itself had yet to approve it.

Without authorization from relevant international organizations, the United States had sent warplanes and warships to trace and disrupt the routine voyage of a merchant ship, forced by diplomatic means foreign countries to deny the ship's entry into ports and further menaced with sanctions.

"What else could it be but a naked world cop?" the commentary asked.

But all these actions were proved to be only a "hegemonic bully" as inspections found the Yinhe was carrying no chemical weapon precursors of thiodiglycol and thionyl chloride as alleged by the U.S.

What kind of image had the U.S. conveyed to the world by its actions in the Yinhe incident when Washington thought it could do whatever it wished, let alone to check a ship like the Yinhe, and so ending up only making a fool of itself, the commentary asked.

In short, the influence of the United States would undoubtedly be greatly impaired, it said.

CHINA DAILY Article

HK0909065493 Beijing CHINA DAILY in English
9 Sep 93 p 4

[Article from the "Opinion" page by Zhang Huimin: "U.S. Drops a Stone on its Own Feet"]

[Text] The case involving the Chinese cargo ship Yinhe is not a big event by any account. And yet it has caused repercussions in world public opinion. It is especially so when a thorough inspection of the ship categorically has proved the falseness of the U.S. allegations against China. The U.S. side, instead of apologizing for its wrong-doing, takes an irresponsible attitude towards the case.

It seems to me the point now is what the U.S. Government should do when it clearly knows it has committed a blunder that compromises the honour and causes material losses to another country.

Aggressive and overbearing was the U.S. behaviour towards China when it thought it had seized "credible evidence" in its hand that China was a wrong-doing culprit. It was determined to place China in the dock. It made full use of the powerful and sophisticated military and propaganda means at its disposal to create trouble for the Chinese ship sailing on the high seas. It cherished the fond hope that this time it would bring China to her knees and make it lose face.

To make the truth known to the world and prove its innocence, China proposed a joint inspection, with US personnel acting as technical experts.

According to an original agreement, only the part of the cargo that was destined for Iran was to be inspected. But, as no such things as were suspected by the U.S. side to be aboard were discovered in this part of the cargo, the U.S. side further demanded inspection of all the containers.

Out of a sincere desire to thoroughly clear the question, the Chinese side consented to this demand.

Even though no stone was left unturned, the U.S. side still failed to discover the things which, according to its

intelligence information, were stowed there. Finally, the U.S. experts had to sign a report to prove Yinhe's innocence.

In other words, the U.S. acknowledged its allegations against the Chinese cargo ship were groundless.

Thus, the U.S. bid to bring China to task this time proved an utter failure and instead placed itself in a very awkward position.

A French newspaper aptly commented on the incident with a colloquial Chinese saying Mao Zedong was very much fond of quoting, the US Government "lifted a rock only to drop it on its own feet."

This being the case, the logical next step the U.S. Government should take is, of course, a prompt and sincere apology for its own rude actions misled by its mistaken information.

If the U.S. Government were placed in the same position of a falsely accused party as China now is, it seems to me, certainly it would do the same as China is doing now: calling for cleansing of its good reputation by an apology of the party that had slung the mud.

Surprisingly, when China justly demanded a public apology from the U.S. Government, the latter should brush it aside by lightly saying "the inconvenience to the Yinhe ... is unfortunate." The statement was curt and betraying no qualms of having done wrong at all.

In my mind, the U.S. Government has never been so noble or democratic as it often claims to be. For I have seen for myself more than once that when national interests dictates, it can do things discreditable without hesitation or even commit travesty of truth without compunction.

In the present Yinhe case, I was first shocked by the arrogance and now by the cynicism the U.S. Government has displayed.

Now the Soviet Union is no more. The United States becomes the one and only superpower in the world. There has been in the West in the last two years much complacent talk about the "victory" of the so-called Cold War, which lasted more than four decades between the East and West.

Paradoxically, "victory" has its negative aspect because too high an elation over it is apt to turn one's head. I advise the U.S. top policymakers to keep their heads cool in handling cases like this.

With regard to its relations with China, I hope it will not antagonize the Chinese people at large by an insolent approach that reminds them of the haughty style of the 19th century imperialism which their nation suffered.

Bill Clinton is a man whose history shows that he is good at drawing lessons from his failures. I hope he will make a good President for the U.S. people. And I advise him to

learn more about China, its past and present, its government and people, so that he pays adequate respect to it and does not trip over ties with China.

With regard to the Yinhe incident, evidently the U.S. Government has lost face. It seems to me that it is not enough for the U.S. just to say "unfortunate."

TA KUNG PAO Editorial

*HK0909080693 Hong Kong TA KUNG PAO in Chinese
9 Sep 93 p 2*

[Editorial: "The U.S. Brutal and Unreasonable Act Has Jeopardized Freedom on the High Seas"]

[Text] The U.S. Government has made a fool of itself in the Yinhe case but is using every means available to try to deny that it is at fault, thus fully exposing its shameless face before the world. In this incident, which has captured the world's attention, the U.S. Government created a purely fictional story and made a deliberate slander against China, thus grossly infringing upon China's sovereignty and brutally trampling on international law and the principle of freedom of navigation on the high seas. As an international shipping center, Hong Kong has naturally expressed its great concern about the Yinhe case. People from all walks of life and different social groups in Hong Kong have issued statements over the past few days to strongly condemn the United States' peremptory act and to show their firm support for the Chinese Government, which is making stern and just representations. This is a natural response, not only out of the common determination to safeguard national dignity but also for the sake of Hong Kong's own legitimate rights and interests.

International friendly relations—just like interpersonal relations—must be based on a rudimentary level of mutual trust. No country should bring arbitrary accusations against others merely based on information gleaned from spying or on pure speculation. The U.S. Government claimed that its "intelligence" was accurate and categorically accused the cargo ship Yinhe of carrying raw materials for chemical weapons. Thorough and meticulous inspection has proven that this is absolutely untrue. In spite of this, as of yesterday the United States was still refusing to acknowledge its mistake and make an apology. Instead, it is continuing to fabricate new "intelligence analysis" asserting that the cargo ship Yinhe did carry contraband chemicals, but they were discharged at a certain port midway through the journey. So, in continuing to defame China, the United States has also implicated a few other countries and areas in the case. Hong Kong has become a "suspect" as well, because the cargo ship did berth in Hong Kong en route to its destination. In fact, the six containers on board the Yinhe that were labelled as transshipment from Hong Kong for Iran were thoroughly inspected at the U.S. personnel's insistent request. So the Hong Kong consigner is already sharing the economic losses caused to the Yinhe due to its failure to deliver cargo to its

destination port as scheduled, which was a result of the U.S. interference and hindrance of normal shipping. Now that Hong Kong has been listed alongside other ports suspected of permitting the transshipment of raw materials for chemical weapons and its reputation has been damaged by the U.S. side's slanderous accusation, we Hong Kong people, while showing indignation against this, are fully entitled to demand that the U.S. Government compensate for the losses, make apologies, and guarantee that such incidents will not occur in the future.

Freedom on the high seas is an important principle that is universally accepted in modern international law. Hong Kong, as a city that has always relied on sea navigation, treasures the freedom of navigation on the high seas more than others. Hong Kong is to retain its status as an international shipping center in the future. The Basic Law contains some articles which provide that "the Hong Kong Special Administrative Region shall maintain Hong Kong's previous systems of shipping management and shipping regulation;" "With the exception of foreign warships, access for which requires the special permission of the Central People's Government, ships shall enjoy access to the ports of the Hong Kong Special Administrative Region in accordance with the laws of the Region." All these provisions were formulated to maintain and develop Hong Kong's status as a shipping center. This is not only beneficial to China and Hong Kong but will also contribute to the Asia-Pacific region and the international shipping industry. If the United States, however, is allowed to arbitrarily interfere in normal freight transport according to their "intelligence" and to send warships and military airplanes to follow behind cargo ships on reconnaissance missions, will free navigation still be possible on the high seas? Any hindrance to normal international sea transportation will inevitably have an impact on Hong Kong. Last year alone more than 26,000 cargo ships visited Hong Kong, of which many were from Mainland China. Even if the United States inspects cargo ships outside Hong Kong, such as the above-mentioned cargo ship Yinhe, Hong Kong will still be affected.

The United States is posing as the "global police," but it has never obtained any worldwide legal authorization. Even if the intelligence it obtains is accurate, it has no right to hinder and jeopardize international sea transport. Its "intelligence," however, is very inaccurate; the present case is not the first of its kind but has many precedents. The Hong Kong press has compared the Yinhe case fabricated by the U.S. Government to the case of Rodney King, the black man bullied by police in the United States. In this case, in the beginning the U.S. police firmly denied they had made a mistake and thus aroused widespread indignation. Finally they had no choice but to redress their errors. This time, in the present case, the more the U.S. "global police" try to deny their faults, the more they will make fools of themselves. One will, in the end, see what is right and what is wrong. A sensible choice for the U.S. Government is to acknowledge its mistake as soon as possible,

apologize, compensate the other party for its losses, commit itself to strictly observe international law and the principle of free navigation on the high seas, and faithfully perform its obligations as a member of the international community.

'Roundup' of World Opinion

GW0809115493 Beijing XINHUA Domestic Service in Chinese 1526 GMT 7 Sep 93

["Roundup" of reports by XINHUA reporters stationed overseas and in Hong Kong and Macao]

[Text] Beijing, 7 Sep (XINHUA)—Since China made public the investigation report on the Yinhe incident, the press in some countries and regions have published articles and commentaries, and many public figures have also voiced their views on the matter, and criticized the hegemonistic act of the United States.

The official Iranian newspaper ISLAMIC REPUBLIC carried a commentary on 6 September, saying that the Yinhe incident that was created solely by the United States, is purely an "act of piracy." "Such an act of piracy should not merely be criticized. Countries all over the world should take harsh measures to deal with such acts of hegemonism and blackmail."

On the same day, another Iranian newspaper KAYHAN-UNIVERSE reported that the speaker of the Iranian Parliament Nateg-Nuri had denounced the hegemonistic act of the United States for obstructing freedom of navigation of the Yinhe cargo ship.

On 6 September, NIHON KEIZAI SHIMBUN made a detailed report on the statement issued by the Chinese Foreign Ministry on the Yinhe incident, and added, while analyzing the development of the situation, that the outcome of the incident may be said to be a U.S. diplomatic discredit.

Japan's MAINICHI SHIMBUN published an article saying that the United States had imposed economic sanctions against China and Pakistan on 23 August on the excuse that China exported missile technology to Pakistan. Therefore, the outcome of the Yinhe incident will affect the credibility of U.S. diplomacy.

On 7 September, Macao's JORNAL VA KIO [Overseas Chinese Journal] carried a commentary entitled "A Poor Defense," saying that after the truth of the incident of the Chinese cargo ship Yinhe, created single-handedly by the United States, had come to light, Washington authorities—in the face of the ensuing counterattack, justifiable criticism, and strongly-worded protest by Beijing—had "not only refused to admit their fault, apologize and make compensation, but also declared that they will continue to pursue power politics and resort to hegemonistic acts in the future. This has further exposed their ugliness and vileness."

The commentary said: "Such acts of hegemonism have seriously infringed on China's sovereignty and freedom

of navigation on the high seas, tantamount to trampling on the norms governing international relations."

The commentary also pointed out: "The message from the Yinhe incident created by the United States, and its subsequent defense, is clear: The unbridled hegemonism and power politics manifested by the United States constitutes a major factor for instability in the world of the post-Cold War period."

Sources from Hong Kong indicated that people from all quarters condemned the United States for its hegemonistic acts as displayed in the Yinhe incident which it created. They openly expressed their opinions, calling on the U.S. Government to compensate China for all the economic losses it has sustained, and ensure that a similar incident will not occur again.

Liao Yaozhu, a barrister and a National People's Congress deputy from Hong Kong, pointed out: The United States has long been acting in a rather high-handed [ba dao 7218 6670] manner. The Yinhe incident once again shows that the power politics practiced by the United States is highly detrimental to world peace.

Cai Weiheng, president of the Revolutionary Committee of Overseas Chinese [hua ge hui 5478 7245 2585], said: The United States is the "most tyrannical and unreasonable country in the world"; it claims to be a "world cop," yet it chooses to disregard international conventions, whereas China, with its prudent and unbiased manner, may, without making any deliberate clarification, even more effectively reveal the truth and let the people of the world know who is right and who is wrong.

Hong Kong Legislative Council member Tan Yaozhong was indignant that when the truth had come to light, the United States stuck to its erroneous attitude and was unwilling to apologize and make compensation. He held that from such an act on the part of the United States, the United States is resorting to various means aimed at battering China's economic development.

Doctor Cao Hongwei, a senior lecturer at the Chinese University of Hong Kong said: The United States is engaged in the sale of arms and ammunition to some countries; this time it tried to be clever but made a blunder, thus once again exposing its hypocritical countenance. The United States is used to flaunting itself as a protector of human rights, yet it disregarded the safety and lives of the crew of the Yinhe ship; this precisely shows the U.S. disregard for human rights.

Hong Kong Legislative Council member Huang Yihong, Teachers' Federation President Yang Yaozhong, and Public Housing Federation President Hou Ruipei also denounced the hegemonistic act of the United States, and demanded that the U.S. Government promptly make a public apology and pay compensation for all losses sustained.

Correction to Item on Foreign Ministry Statement WA0909161793

The following correction pertains to the item subheaded "Foreign Ministry Statement," published in the General section of the 7 September China DAILY REPORT, pages 2-3:

Page 3, column two, first full paragraph of column, from second sentence, make read: ...China strongly demands [qiang lie yao qiu 1730 3525 6008 3061] that the U.S. take immediate steps to remove the adverse consequences of its false intelligence and ensure, as it has already promised, that the Yinhe be allowed to enter its scheduled ports for unloading. China also demands [yao qiu 6008 3061] that the U.S. side make a public apology [gong kai dao qian 0361 7030 6670 2959] to the Chinese side.... (correcting vernacular, STC's)

Central Eurasia

Further on Qian Qichen-Kravchuk Meeting in Kiev

HK0909045493 Beijing XINHUA Domestic Service in Chinese 0241 GMT 7 Sep 93

[By reporters Shen Faliang (3088 3127 5328) and Fan Weiguo (5400 0251 0948): "Ukrainian President Meets Qian Qichen"]

[Text] Kiev, 6 Sep (XINHUA)—When meeting Qian Qichen, Chinese vice premier and concurrently minister of foreign affairs, in the Presidential Palace on 6 September, Ukrainian President Leonid Kravchuk said: Ukraine is very interested in developing friendly relations with China. He added that his visit to China last year made a good impression on him.

Qian Qichen pointed out at the meeting: China supports Ukraine in its efforts to safeguard independence, sovereignty, and territorial integrity; wholeheartedly hopes that Ukraine will overcome difficulties along the road of progress as quickly as possible; and hopes to see it play a greater positive role in European and world affairs.

Qian Qichen also said: During his visit to China last year, President Kravchuk signed 12 documents, opening up great vistas for friendly and cooperative relations between the two countries in the days to come.

At the meeting, Qian Qichen conveyed President Jiang Zemin's and Premier Li Peng's cordial regards and Jiang Zemin's verbal message to President Kravchuk, and the president asked the minister to convey his regards to the Chinese leaders.

Ukrainian Foreign Minister Anatoliy Zlenko; Gu Yonghong, Chinese vice minister of foreign trade and economic cooperation; Dai Bingguo, assistant minister of foreign affairs; Zhang Zhen, Chinese ambassador to Ukraine, were present at the meeting, among others.

Heilongjiang, Khabarovsk Reach Legal Dispute Accord

SK0809115793 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 7 Sep 93

[Text] A few days ago, the (Sanjiang) lawyers affairs office of Jiamusi city signed a letter of intention with the Khabarovsk Kray judicial bureau of the Russian Federation.

From this time on, the citizens of our province do not have to go out of the country to handle their legal affairs if they are involved in any legal disputes in the Russian Federation. According to the letter of intention, the (Sanjiang) lawyers affairs office can be entrusted to handle the legal affairs for the Russian Federation.

Russian War Veterans Delegation Visits Nanjing

OW0809070793 Beijing China Radio International in Russian 1900 GMT 7 Sep 93

[Text] A four-man delegation of the Veterans Committee of Russia headed by committee Chairman Mikhail Skomorokhov arrived in Nanjing on 3 September to mark the occasion of the 48th anniversary of the Chinese victory over the Japanese. On behalf of the Russian Government and Russian war veterans, the delegation handed over 3,700 [German] marks to build a memorial to pilots who lost their lives in the war against Japan.

Skomorokhov, head of the Russian delegation, and (Cui Zehun), chairman of the Friendship Between Pilots of Russia and China Society, exchanged speeches at the solemn ceremony held that same evening. They remembered the heroic deeds of pilots of the former Soviet Union during World War II. More than 200 pilots died in battles for the liberation of China. China and Russia hope that friendship between the peoples and pilots of both countries will be preserved forever. (Cui Zehun), the society's chairman, presented the Russian guests with memorable gifts and souvenirs.

Gorbachev Tells BBC Yeltsin Era 'Finished'

OW0509122793 Beijing XINHUA in English 1127 GMT 5 Sep 93

[Text] London, September 5 (XINHUA)—Former Soviet President Mikhail Gorbachev today issued a stern warning about Russia's future, saying that President Boris Yeltsin's era was finished.

Gorbachev said in an interview with the BBC Television that Yeltsin had pursued his reform program too rapidly and failed to push through.

Gorbachev called for early presidential and parliamentary elections in Russia.

"I think Yeltsin really has failed, in a big way, in a major way. Therefore I am now calling for a solution in the form of early elections of the president and of the supreme Soviet," Gorbachev said.

He said the elections should be held in late autumn at the latest.

Northeast Asia

DPRK Founding Anniversary Commemorated

Jiang, Li Peng Write Kim Il-song

SK0809124893 Beijing China Radio International in Korean 1100 GMT 8 Sep 93

[Congratulatory message from Jiang Zemin, general secretary of the CPC Central Committee and PRC president; Li Peng, PRC State Council premier; and Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress, to Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, and Comrade Kang Song-san, premier of the DPRK Administration Council—read by announcer]

[Text] Pyongyang

Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, and Comrade Kang Song-san, premier of the DPRK Administration Council

On the 45th anniversary of the founding of the DPRK, on behalf of the CPC, the Chinese Government, and the Chinese people, we extend the warmest congratulations to you and, through you, to the WPK, the DPRK Government, and the DPRK people on National Day.

The founding of the DPRK was a brilliant success which the DPRK people effected through long-drawn-out revolutionary struggle. It was a great turn in Korean history.

For the past 45 years, the sincere and brave Korean people have effected a great success in the socialist construction cause through the spirit of independence and self-reliance, under the leadership of President Kim Il-song and the WPK.

The WPK and the DPRK Government have conducted the diplomatic policy of independence, friendship, and peace, making efforts to develop the friendly relations with various countries' people.

The Chinese people truly rejoice over the various successes effected by the Korean people and sincerely wish the Korean people a new more success in the socialist construction cause.

The two countries of China and the DPRK are friendly neighboring countries linked by mountains and waters. The two parties, two countries, and two countries' peoples have tied the traditional friendly and cooperative relations.

Due to the warm consideration of the two countries' leaders and due to both sides' common efforts, the friendly relations have taken root in the heart of the

people and have constantly developed. We have felt pleasure and satisfaction over the friendly relations.

As in the past, the Chinese party, government, and people will also support the Korean people's cause for independent and peaceful reunification and will steadily make efforts to further strengthen and develop the Chinese-DPRK friendly and cooperative relations with the DPRK party, government, and people.

[Signed] Jiang Zemin, general secretary of the CPC Central Committee and PRC President; Li Peng, PRC State Council premier; and Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress

[Dated] 7 September 1993, Beijing

Qian Qichen Sends Letter to Counterpart

SK0809125093 Beijing China Radio International in Korean 1100 GMT 8 Sep 93

[Congratulatory message sent by Qian Qichen, vice premier of the Chinese State Council and foreign minister, to Kim Yong-nam, vice premier of the DPRK Administration Council and foreign minister—read by announcer]

[Text] Pyongyang

Comrade Kim Yong-nam, vice premier of the DPRK Administration Council and foreign minister:

On the occasion of the 45th anniversary of the founding of the DPRK, I extend the warmest congratulations to you on National Day.

I hope that the great traditional Chinese-DPRK friendship will steadily develop, that your country will grow and prosper, and that your country will play a more important role in the international arena.

[Signed] Qian Qichen, vice premier of the Chinese State Council and foreign minister.

[Dated] 7 September 1993, Beijing

Beijing Reception Reported

OW0809125293 Beijing XINHUA in English 1239 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—The 45th anniversary of the founding of the Democratic People's Republic of Korea (DPRK) was marked at a reception hosted by the Chinese People's Association for Friendship With Foreign Countries and the Sino-DPRK Friendship Association here this evening.

Buhe, vice-chairman of the Standing Committee of China's National People's Congress, attended the reception, which was addressed by Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, and Pae Chong-chae, charge d'affaires ad interim of the DPRK Embassy in Beijing.

Some DPRK experts and students working and studying here were also present at the reception.

Southeast Asia & Pacific

Australian Trade Minister's Visit Reported

OW0309120993 Beijing XINHUA in English 1151 GMT 3 Sep 93

[Text] Canberra, September 3 (XINHUA)—Australian Minister for Trade Peter Cook will leave here tomorrow on a 19-day visit to Northeast Asia to promote trade and investment links between Australia and Northeast Asia.

Cook's Northeast Asia trip will bring him to China, Hong Kong, South Korea and Japan, and his China trip follows the visit to China by Prime Minister Paul Keating in late June.

During his stay in China, the first since he took the trade portfolio in March, Cook will have extensive discussions with Chinese leaders, ministers and leading provincial officials on increased bilateral economic cooperation.

Cook will lead a high level mission of 135 Australian businessmen to Beijing for the two-day Australia-China forum to be held on September 7, the largest and most comprehensive business get-together between the two countries.

Speaking to the foreign correspondents' association in Sydney today, Cook said that his forthcoming visit to China "is a celebration of the new maturity in our commercial relations with China."

Cook will also open the new trade and investment office of Austrade, the country's official trade organization, in Hangzhou, capital of Zhejiang Province.

Describing the relationship between the two countries as having "matured substantially," he said that the visit will "provide us with a substantial opportunity to make real progress in our business relations with China."

Trade volumes between China and Australia have risen in recent years, with the two-way trade reaching 4.2 billion Australian dollars (2.9 billion U.S. dollars) in 1992, nearly 25 percent more than in 1991.

Li Lanqing Meets Cook

OW0809133893 Beijing XINHUA in English 1249 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Chinese Vice-Premier Li Lanqing met here this afternoon with visiting Australian Trade Minister Peter Cook.

Li commented that both Australia and China need to further expand their spheres of cooperation.

He said that this time Cook has brought a large trade delegation to China, in his words a pragmatic move.

He noted that Sino-Australian cooperation has been based on good economic parity, and the two countries can learn from and help each other and further expand cooperation to promote the development of bilateral trade relations.

Cook said Australia hopes to maintain long-term friendly relations with China.

He also said that Australia, an old friend of China, supports China's efforts to resume its contracting party status in the General Agreement on Tariffs and Trade (GATT).

Cook said he is convinced that the resumption of China's contracting party status in GATT is beneficial to the smooth development of world trade.

Both sides agreed that economic and trade cooperation in the Asia-Pacific region should be further strengthened.

Satellite, Telecom Contracts Signed

OW0809134993 Beijing XINHUA in English 1336
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Businessmen from China and Australia signed several contracts on co-operation in satellite and telecommunications development during a two-day "Australia-China forum" which closed here today.

The Chinese Research Institute of Space Technology and Telstra, a leading Australian telecommunications company, signed an agreement on establishing a joint venture to develop and market technologies for satellite systems within China and the Asian region.

Another three Australian companies and their Chinese counterparts signed co-operation contracts on providing China's Zhejiang and Heilongjiang provinces with millions of Australian dollars worth of telecommunications equipment.

Visiting Australian Trade Minister Peter Cook said at the forum that his current visit to China, accompanied by a large trade delegation, is aimed at forming a strong mutually beneficial partnership with China for the long term.

Cook Sees Expansion of Trade Ties

HK0909103793 Hong Kong AFP in English 0953 GMT
9 Sept 93

[Text] Beijing, Sept 9 (AFP)—Australian Trade Minister Peter Cook, describing China as a "growth volcano," said Thursday that human rights concerns would not prevent an expansion of trade ties with China. "We're not going to retreat from our position on human rights, but we are going to pursue an enlightened business and trade relationship with China," Cook told a press conference here after four days in Beijing.

Canberra was one of the most vocal critics of the crackdown on the 1989 pro-democracy movement here and has since maintained pressure for improvements in human rights.

Human rights concerns were still of great importance to Australia, but Cook indicated that it was up to other agencies of the Australian government to deal with the issue, stressing instead the potential for expanding trade.

Prospects for Australian firms in electronics, power industry, building industry, food processing and telecommunications were excellent, he said. "China is a major and developing market for us, one for which there is huge demand, and which will be a growth market for us," he said, "And we'll make sure we've got the resource allocation necessary to tap that."

The minister also played down concerns that China's ongoing offensive to cool overheated economic growth, estimated at 13 percent for this year, would affect foreign businesses trying to enter the market. "Even in the context of austerity, if austerity is 10 percent growth, there's still a huge amount of opportunity for Australian companies," he said.

During his visit, Cook attended the opening of the first Australia-China Forum, which was intended to boost the Australian business presence here. Cook said a number of Australian and Chinese companies were already "talking substantial business" but he declined to provide details.

Cook left here Thursday with a group of 30 businessmen for stops in Shanghai, Hangzhou, and Guangzhou.

Li Lanqing, Wu Yi Meet SRV Trade Minister

OW0809115393 Beijing XINHUA in English 1132
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Chinese Vice-Premier Li Lanqing met here today with a Vietnamese delegation headed by Trade Minister Le Van Triet.

During the meeting in Zhongnanhai, headquarters of the Chinese Communist Party's Central Committee, the two sides exchanged views on promoting bilateral trade relations.

Le, along with other members of the Vietnamese delegation, arrived in Beijing Tuesday as guest of Wu Yi, Chinese minister of foreign trade and economic cooperation. This is the first visit to China for the Vietnamese trade minister since China and Vietnam normalized bilateral relations nearly two years ago.

Before the meeting, Wu held talks with Le to explore ways to further strengthen bilateral trade ties and economic cooperation.

During the talks, both sides said they believed that economic and trade ties have developed, and that inter-government trade ties and economic cooperation have been put on the right track.

Statistics from Chinese customs show that in the first half of this year, trade volume between China and Vietnam hit a record high of 110 million U.S. dollars, a rise of nearly 70 percent over the same period of last year. In 1992, the total trade volume between the two countries was 179 million U.S. dollars.

Both ministers agreed to make greater efforts to push forward the development of bilateral trade relations and economic cooperation.

After leaving Beijing, the delegation will visit Shanghai, China's largest industrial city, and the two southern cities of Haikou and Guangzhou.

Wu Yi Urges Improved Border Trade

*HK0909065293 Beijing CHINA DAILY in English
9 Sep 93 p 2*

[By staff reporter: "China, Vietnam Seek More 2-Way Trade"]

[Text] Two years into diplomatic normalization, senior Chinese and Vietnamese trade officials are calling for an increase in bilateral trade.

The officials said yesterday capital goods trade between their large companies should be increased.

The move will help stem illegal activities, such as smuggling, that have cropped up in the brisk border trade among smaller businesses since 1991.

Wu Yi, Chinese Minister of Foreign Trade and Economic Co-operation (Moftec), urged the two sides to improve the management of the border trade.

Larger-scale trade between the two countries has trailed behind the border trade in the past two years.

"We hope Vietnam would export more crude oil, timber and coal to China, while buying more Chinese electro-machinery products," Wu said during a meeting with visiting Vietnamese Trade Minister Le Van Triet in Beijing yesterday.

The 15-person Vietnamese trade delegation arrived in Beijing on Tuesday [7 September] and will leave next week.

The delegation is also expected to visit the cities of Shanghai, Guangzhou and Haikou.

The visit by Le Van Triet is believed to be conducive to the establishment of an official trade consulting relationship between the two neighbouring countries, estranged for more than a decade since 1979.

Chinese Premier Li Peng's visit to Vietnam at the end of last year marked a major step forward in bilateral relations, when a package of economic agreements were made.

Wu encouraged powerful companies from the two nations to open up offices in each other's territory.

According to Chinese customs, bilateral trade in the first half of this year rose some 61 per cent over the same period last year to \$110 million.

The figure for the entire 1992 was \$179 million, comparing with the 1991 total of only \$32.23 million.

By the end of this March, Chinese companies had signed \$62.3 million worth of contracts for labour services and engineering projects in Viet Nam.

Wu revealed that China's total investment in foreign countries by the first quarter of this year was \$5 billion in about 120 countries and regions.

She expressed hope that Viet Nam would give priority to Chinese companies when the Southeast Asian nation revamps factories built with Chinese assistance decades ago.

The factories produce cement, fertilizer, agro-machinery and textiles.

Guangdong's Xie Fei Meets SRV Party Delegation

*HK0809074693 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 1 Sep 93*

[Text] Xie Fei, member of the Political Bureau of the CPC Central Committee and secretary of the Guangdong CPC Committee, met with and feted the delegation of senior commissioners of the Organization Department of the Communist Party of Vietnam [CPV] Central Committee led by Le Huy Ngo, executive deputy head of the Organization Department of the CPV Central Committee, at the Zhudao Guesthouse yesterday evening.

At the request of the guests, Xie Fei gave an account of Guangdong's party building, saying: The people cannot seize political power without leadership of the Communist Party. Neither can they carry out the current economic construction without party leadership. Xie stressed: In the new historical period, party building should be focused on upgrading the level and capability of the masses in carrying out the modernization program, and on increasing their ability to prevent and resist corruption. Only by doing this work well can the party maintain close ties with the masses and win victories.

The delegation will visit Zhuhai and Jiangmen today and tomorrow.

Reportage on Indonesian Official's Visit

Talks With Liu Shuqing

OW0809121493 Beijing XINHUA in English 1152
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, held working talks with Sayidiman Suryohadiprojo, roving ambassador for African and Middle East Non-Align Movement of Indonesia [name and title as received], here this afternoon.

Liu and Sayidiman, who is also former president of the Indonesian Academy of Defense, exchanged views on bilateral relations, regional and world affairs.

Sayidiman and his party arrived here today as Liu's guests. Apart from Beijing, they are to visit Shanghai, Guangzhou and Shenzhen.

Meets Song Jian

OW0909121793 Beijing XINHUA in English 1103
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—Chinese State Councillor Song Jian met with Sayidiman Suryohadiprojo, Indonesia's roving ambassador for the African and Middle East Non-Aligned Movement [name and title as received], here this afternoon.

Song, also minister in charge of the State Science and Technology Commission, said that Sino-Indonesian relations have developed rapidly in recent years and that bilateral economic, scientific and technological exchanges have intensified.

He expressed the hope that friendly cooperation between China and Indonesia, especially in the areas of science and technology, will be augmented.

Sayidiman, former president of Indonesia's Academy of Defense, said science and technology play an increasingly important role in the contemporary life and that intensifying bilateral cooperation in scientific and technological fields will expand relations between the two countries.

The visit gave Sayidiman a chance to witness with his own eyes the achievements China has made in the economic, scientific and technological spheres, he said.

Sayidiman and his party arrived here Wednesday [8 September] as guests of the Chinese People's Institute of Foreign Affairs. After leaving Beijing, they are to visit Shanghai, Guangzhou and Shenzhen.

Near East & South Asia

Further Reportage on Indian Prime Minister's Visit

Talks With Leaders Noted; Accords Proposed

BK0809093093 Delhi All India Radio Network in
English 0245 GMT 8 Sep 93

[Text] India has proposed three more agreements to China for cooperation in the fields of indigenous medicines and banking. The foreign secretary, Mr. J.N. Dixit, told his Chinese counterpart, Mr. Tang Jiaxuan, that both countries should also consider starting the process of securing a civil aviation agreement to regulate air services.

A senior spokesman of the External Affairs Ministry said Mr. Narasimha Rao met nearly all the party and government leaders in Beijing yesterday, a rare honor given to a visiting head of government. The discussions covered wide-ranging bilateral and multilateral issues. Invitations were extended to the prime minister, Mr. Li Peng, and also the defense minister to visit India and these were accepted. There will be exchange of visits for military personnel and cultural troops to maintain the high tide of bilateral relations.

The two sides have set up a subgroup to implement the agreement for maintaining peace and tranquillity along the Line of Actual Control. The prime minister is visiting today the ancient Chinese city of Luoyang from where Buddhism spread all over China. He will also visit the famous Longmen Cave and Luoyang Museum and attend the lunch hosted in his honor by the governor of Hainan Province.

Li Peng Talks Said 'Very Fruitful'

BK0809161293 Delhi All India Radio Network in
English 1530 GMT 8 Sep 93

[Text] The prime minister, Mr. P.V. Narasimha Rao, has said that the just concluded Sino-Indian border agreement would lead to substantive negotiation on the border issue. Mr. Narasimha Rao made these observations during his hour-long meeting with the Chinese president and Communist Party general secretary, Mr. Jiang Zemin, last night.

According to an official spokesman, Mr. Rao told the Chinese president that his marathon parleys with the Chinese prime minister, Mr. Li Peng, were very fruitful and full of promise. The prime minister told Mr. Jiang Zemin that the Pancasila [five principles of mutual coexistence] enunciated 40 years ago is more relevant in today's context and if strictly abided by could solve all outstanding disputes and issues.

Nondiscriminatory Disarmament Urged*BK0909092293 Delhi All India Radio Network in English 0830 GMT 9 Sep 93*

[Text] The prime minister has called for the dawn of a new era in Sino-Indian relations. Addressing the students and the faculty of Beijing University in the Chinese capital today, Mr. Narasimha Rao, said the whole Asian continent will achieve its rightful stature if the two countries cooperate. He said relations between the two countries are on the way to stability, durability, and good neighborliness following his talks with the Chinese leaders.

Commenting on the present international scenario, Mr. Narasimha Rao, said urgent steps are needed for achieving disarmament in a nondiscriminatory manner. He said Panchsila [five principles of mutual coexistence] remains as valid today as when the five principles were first drawn up.

On the human rights issue, the prime minister said no unilateral standards can be laid down.

Our correspondent, Rabindranath Mishra, reports that the prime minister was lustily cheered when he talked of the need for forging closer relations between the two ancient civilizations. He invited the students and the faculty to visit India and promised that his government will send Indian intellectuals to China so that friendship between the two countries is promoted on a people-to-people level.

A warm welcome awaits the prime minister when he arrives in South Korea shortly. Our Southeast Asia correspondent, Nallamuthu reports from Seoul that both sides are confident that the visit will herald a new era of friendship and cooperation. During the visit, Mr. Narasimha Rao will have discussions with President Kim Yong-sam and Prime Minister Hwang In-song. With the focus on economic cooperation, he will meet Korean entrepreneurs at the Indo-Korean Joint Business Council and the meeting of the Korean Chambers of Commerce and Industries.

India and Korea are to sign three agreements on tourism, culture, and science and technology.

Visit Ends; Foreign Secretary Comments*OW0909084893 Beijing XINHUA in English 0826 GMT 9 Sep 93*

[Text] Beijing, September 9 (XINHUA)—Indian Prime Minister Narasimha Rao today ended a four-day official goodwill visit to China, which, though short, achieved fruitful results and contributed to the further growth of Sino-Indian relations, according to analysts here.

Indian Foreign Secretary J.N. Dixit, who accompanied Prime Minister Rao on the visit, called the trip "very fruitful," and added that "all the aims of the visit have been attained."

Specifically, he said, the trip achieved the purpose of sustaining the continuity of high-level contacts between the leaderships of the two countries, as they examined and determined the possibilities of wide-ranging cooperation. Probably more important was that "a substantive step forward in arranging a solution to the boundary question was taken," he said in an interview with XINHUA.

Those results primarily came on the second day of Rao's visit, when he met with five of the seven Standing Committee members of the Political Bureau of the Chinese Communist Party Central Committee, and attended the signing ceremony for four bilateral agreements.

Just before his departure today Rao said he was "very satisfied" with his talks with Chinese leaders, with whom he had "reached agreement and formed a friendship". This will be "very useful" for future cooperation between India and China, he said.

Apparently, the agreement on maintaining peace and stability along the lines of actual control in the Sino-Indian border areas is the most eye-catching accomplishment. It is the very first such agreement signed since the two countries started border talks in 1981.

Though the document falls short of a solution to the border issue, it helps ensure good conditions for a final settlement, and is conducive to the development of a long-term and stable good-neighborly and friendly relationship.

Also, it represents fresh progress in the process of solving border issues pending between China and its neighbors. Not long ago, China's border talks with Vietnam gained positive results, too. Analysts view these events as new achievements in China's endeavors to develop ties with neighboring countries.

According to Dixit, India and China are already exploring possibilities of reaching new agreements on cooperation in technology transfer, banking, and traditional medicine and public health.

In the past few days Chinese and Indian leaders have reached agreement on tapping potential and expanding cooperation in wide-ranging fields, and this will undoubtedly pump fresh vitality into the growth of bilateral cooperation.

Rao extended invitations to visit India to President Jiang Zemin, Premier Li Peng and Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference, all of whom accepted the invitations with pleasure. Analysts predict that China and India could see a new round of high-level contacts before long.

During their talks Chinese and Indian leaders also exchanged views on international and regional issues of

mutual concern, emphasizing the importance of cooperation between the two biggest developing nations. This will produce a positive impact on the peace, stability and development of the region.

Pakistan Spokesman on Sino-Indian Border Pact
OW0909105093 Beijing XINHUA in English 1035 GMT 9 Sep 93

[Text] Islamabad, September 9 (XINHUA)—Pakistan Foreign Office spokesman today expressed the hope that the recently signed China-India border pact would contribute to defusing tension in Asia.

We support all the measures that will defuse tension, especially in Asian region, the spokesman said while answering a question at a weekly press briefing here.

Both China and Pakistan consistently adhere to the principle that normalization and development of relations with one country should not be at the expense of a third country, he said.

He said Pakistan and China enjoy close and time-tested friendship.

We believe and are confident that the principles upheld by Pakistan and China throughout the relations will continue to mark the relations in future, he added.

East Europe

Qian Qichen Visit to Romania Reported

Bucharest Arrival Noted

OW0809233593 Beijing XINHUA in English 1811 GMT 8 Sep 93

[Text] Bucharest, September 8 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen arrived here this afternoon for a three-day visit to Romania.

Qian, the most senior Chinese official to visit the East European nation in recent years, said upon arrival that China attaches great importance to the further development of friendly relations and cooperation with Romania.

Qian said that the main purpose of his visit was to promote mutual understanding and friendship, increase cooperation and give an impetus to the development of bilateral relations on a sound, long-term and stable basis.

During the visit, Qian will exchange views with Romanian leaders on bilateral links and international issues of common concern.

Qian was met at the airport by his Romanian counterpart Teodor Viorel Melescanu.

Mentions Ties in Arrival Statement

OW0909025393 Beijing XINHUA Domestic Service in Chinese 1559 GMT 8 Sep 93

[By reporters Zheng Jian (6774 1017) and Zhu Youzhi (2612 2589 2535)]

[Text] Bucharest, 8 Sep (XINHUA)—Qian Qichen, Chinese vice premier and foreign minister, arrived here this afternoon for a three-day visit to Romania.

In a brief statement issued at the airport, Qian Qichen said: The Chinese and Romanian peoples have a long-standing traditional friendship. The two countries are carrying out fine cooperation, and their relations are developing smoothly in the spirit of mutual respect, noninterference in each other's internal affairs, equality and mutual benefit, and seeking common ground while reserving differences. China attaches great importance to the further development of friendly relations and cooperation with Romania.

He said that the main purpose of his visit is to promote mutual understanding and friendship, increase cooperation, and give an impetus to the development of bilateral relations on a sound, long-term, and stable basis. He will exchange views with Romanian leaders on the further development of bilateral ties and international issues of common concern.

He was met at the airport by his Romanian counterpart, Melescanu.

Meets President, Foreign Minister

OW0909032193 Beijing XINHUA in English 0212 GMT 9 Sep 93

[Text] Bucharest, September 8 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen today held talks with Romanian President Ion Iliescu on friendly cooperation between the two countries.

Qian, who arrived here from Ukraine this afternoon for a three-day visit to Romania, said that Romania has played an active role in keeping peace and stability in the Balkan region.

He praised Romania for seeking a peaceful solution to the Balkan conflict and developing cooperation with its neighboring nations.

He added that China would support Romania's efforts to protect its independence and sovereignty and gain political stability and economic development.

Later today, Qian met with Romanian State Minister and Foreign Minister Teodor Melescanu and discussed with him further expansion of bilateral relations.

He said the two countries would strengthen their cooperation in the United Nations and other international organizations.

Melescanu's visit to China in April had improved the two countries' bilateral relations, he noted.

Qian said that China and Romania would develop their trade and economic cooperation on the basis of equality and mutual benefit.

Melescanu stressed the importance of political dialogue between the two countries. He said he expected senior Chinese leaders to visit Romania soon.

He said that the increasing cultural and sports exchanges between Romania and China had helped strengthen their traditional relations.

He added that the government would encourage Romanian entrepreneurs to expand relations with their Chinese counterparts.

Melescanu restated that Romania would understand and support China's principles and position on the Taiwan issue.

Qian is on the first leg of his visit to four Balkan nations.

Slovenia Lauds China's Role in World Affairs

OW0809045193 Beijing XINHUA in English 0148 GMT 8 Sep 93

[Text] Vienna, September 8 (XINHUA)—Slovenian Foreign Minister Dimitrij Rupel has said that China, while consistently pursuing its open policy, is playing a more and more important role in world affairs.

"With its growing influence in the world, China has become an important force in safeguarding world peace," the foreign minister told XINHUA in a recent interview here.

Rupel made the statement prior to Chinese Foreign Minister Qian Qichen's visit to Slovenia later this month.

The Slovenian official lauded China for its current economic reform, saying the rapid economic development in the past few years has showed that China has taken a correct course.

Rupel said that during Qian's visit, a series of agreements will be signed on investment protection, cultural and technological cooperation and dual visa exemption.

Zou Jiahua Leaves for Official Visit to Poland

OW0909083293 Beijing XINHUA in English 0603 GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—Chinese Vice-Premier Zou Jiahua left here by air this morning on an official visit to Poland, Hungary and Belgium.

Zou will visit the three countries at the invitation of deputy chairman of the Council of Ministers Henryk Goryszewski of Poland, the Hungarian Government, and vice-premier and Foreign Minister Willy Claes of Belgium.

Accompanying him on the visit are Ye Qing, vice-minister of the State Planning Commission, Huang Zhendong, minister of communications, Tian Zengpei, vice-minister of foreign affairs, and Shi Guangsheng, vice-minister of foreign trade and economic cooperation.

Zou and his party were seen off at the airport by Chen Jinhua, minister in charge of the State Planning Commission, Li Shizhong, deputy secretary-general of the State Council, Liu Huaqiu, vice-minister of foreign affairs, Liu Songjin, vice-minister of communications, and Zheng Hongye, president of the China Council for the Promotion of International Trade, as well as diplomatic officials from the three countries.

Polish Official Views Visit, Ties

OW0909031993 Beijing XINHUA in English 0146 GMT 9 Sep 93

[Text] Warsaw, September 8 (XINHUA)—Polish Deputy Prime Minister Henryk Goryszewski said here today that his Chinese counterpart Zou Jiahua's forthcoming official visit to Poland has been seen as "one of the most significant events in the relations between Poland and China."

Goryszewski told Chinese reporters that he was looking forward to meeting with Zou and discussing with him further cooperation between the two countries in all fields.

The Polish deputy prime minister visited China last June. He set a high value on China's achievements in economic reforms, especially on the establishment of special economic zones.

Goryszewski said the current Sino-Polish ties are good and there is no fundamental conflict of interests between the two countries.

He said his country takes an interest in cooperation with China in communications, transport, energy industry and other fields. He hoped such cooperation will result in great successes in the near future.

Political & Social

BEIJING REVIEW on Biography of Deng Xiaoping

OW0909114193 Beijing *BEIJING REVIEW* in English
No 35, 30 Aug-5 Sep 93 pp 19-23

[Unattributed article: "Stories of Deng Xiaoping"—first four paragraphs are *BEIJING REVIEW* introduction; passages within slantlines published in boldface]

[Text] Deng Xiaoping, the architect of China's reform and opening to the outside world, has aroused the curiosity of many people, who are eager to know more about his life and works. "My Father Deng Xiaoping" (Volume 1), which will be published in mid-September, will satisfy all who might want to know more about Deng.

The author is Xiao Rong (Mao Mao), Deng's daughter. The 460,000-character book describes Deng's ancestors and patriarchs, his revolutionary stories and his hobbies, as well as the events of his first day in retirement. As Xiao says in the postscript, "Deng and his comrades belong to a generation whose fate is closely interwoven with the destiny of the century. They write and create history and devote their whole lives to the nation and the people." The dignified sense of history displayed in the book provides readers with an in-depth view of the Chinese revolution, while telling stories of Deng's revolutionary life.

Since Xiao shies away from interviews, the following material was gleaned from "My Father Deng Xiaoping" (Volume 1), and valuable information disclosed by Zhou Zhixin the editor of the book.

Deng's ancestors originated in Luling, Jian City, Jiangxi Province. In the reign of Emperor Taizu (1368-1398) of the Ming Dynasty, Deng Hexuan, a second-class secretary to the Board of War, was assigned to Guangan, Sichuan Province. Thus began the Sichuan roots of the Deng family.

Deng's ancestors from various generations have served as government officials and scholars. Over the generations the status of the family declined, and Deng's grandfather, who was both a farmer and a craftsman, inherited a meager one hectare of land.

Deng's Given Name

Deng was born in Paifang Village, Xiexing Town, Guangan County, Sichuan Province, on August 22, 1904. He was named Xiansheng according to Chinese characters used for his generation.

When he entered private school at the age of five, his teacher objected to the name Xiansheng because it meant one above a sage, and was thus disrespectful to Confucius who was considered a sage. Consequently, his name was changed to Deng Xixian, a name he carried for

20 years until his name was changed again to Deng Xiaoping to facilitate his work.

Deng entered junior primary school in Xiexing Town at the age of six; at 11, he entered senior primary school in Guangan County; three years later, he passed the entrance examination for the Guangan County Middle School. By that time, Deng's father was in Chongqing, a major city of Sichuan Province. When he learned a probationary school would be founded in the city for students wanting to participate in a workstudy program in France, he asked Deng to go to Chongqing.

Five Years in France

In the latter part of 1918, Deng and two relatives arrived in Chongqing, where they enrolled in the probationary school. Paying his own expenses, he studied French, algebra, geometry, physics, Chinese language and various classes in industrial technology.

Deng attended the school for about one year.

Not long after he entered the school, the May 4 Movement of 1919—an anti-imperialist, antifeudal, political and cultural movement influenced by the October Revolution in Russia and led by intellectuals possessing a rudimentary knowledge of Communist ideology—took place in Beijing. When the news of the movement arrived in Chongqing in mid-May, young students and people from all walks of life in the city responded enthusiastically.

Deng participated in demonstrations and other activities supporting a boycott of Japanese goods and ferreting out traitors to the Chinese nation.

Deng later recalled that his participation in the movement helped improve initial patriotic and progressive thoughts for saving the nation. However, he pointed out that his thinking at that time was to simply use industry to save the nation, and was not the Marxist oriented outlook of the world and life which he followed later in life.

In late October 1920, Deng arrived in France by ship. His supply of money was exhausted in only five months, and he was forced to discontinue his studies. As a result he worked as a foreign worker for the next four years.

Some of his colleagues at the time reminisced of how Deng's life as a worker was very hard. He lived in a simple wooden hut, and after a long day's work relaxed for only two to three hours before going to bed. Nonetheless, he was always bubbly and vivacious and often joked with others during the period. As a young man Deng was very optimistic, a trait which remains prominent in his character even today.

During his little over five-year stay in France, Deng worked as a laborer for about four years. Under his own volition and acting according to the advice and influence of progressive Chinese students and the French workers' movement, Deng began reading books on Marxism and

participating in activities promoting communism. He was filled with a strong desire to join a revolutionary organization. In the summer of 1922, Deng became a member of the Chinese Communist Youth League.

Various ideologies and ideas, especially anarchism, were highly popular amongst young Frenchmen at the time.

According to Deng, "Whenever I listened to debates, I always upheld the side supporting socialism. I was never corroded by other thoughts. I was in fact a Communist at all times."

Book Addict

The failure of his work-study program in France crushed Deng's dream of further study. Ever since, Deng has received no formal schooling, except for a short period of study in Sun Yat-sen University in the former Soviet Union.

Deng once humorously told his children that he had only reached the middle school level.

Deng's knowledge has come from daily study and his wisdom has been derived from the practical struggles of revolution.

Deng has enjoyed study throughout his life. He has amassed great knowledge from books, work, social activities and the practice of revolutionary struggle. Deng feels he has gained much more from social and revolutionary practices than he could ever have gained from school.

Deng enjoys reading books, whether they be Chinese or foreign classics, biographies of historical characters, news reviews or the Twenty-Four Histories, dynastic histories from remote antiquity till the Ming Dynasty (1368-1644). He especially likes the history book *The Mirror of Governance*.

Deng also enjoys reading dictionaries. Since their childhood, Deng's children have been given orders by their father to search for sentences or words in *Ci Hai*, a comprehensive Chinese encyclopedia dictionary, *Ci Yuan*, another encyclopedia dictionary of sources of word, and *Kangxi Dictionary*.

Soccer Fan

Deng spent five years in the West and one year in the former Soviet Union, and is accustomed to foreign lifestyles. He likes to eat potatoes, cheese and bread and drinks French wines and coffee. Many old comrades, who went with him to work and study in French, are also addicts of these particular types of food and drink. [sentence as published]

When Deng stopped over in France on his way to attend a United Nations General Assembly session in New York in 1974 and during a visit to France in 1975, he purchased some French bread as gifts to Premier Zhou

Enlai, Marshal Nie Rongzhen and Cai Chang, who had worked and studied in France.

While in France, Deng also engaged in one of his lifelong passions—watching soccer.

Deng had little money while working in France. However, on one occasion he spent five francs on a cheap ticket to the finals of an international soccer game. At that time, five francs was indeed no small sum for Deng.

Deng remained an avid soccer fan following the founding of the People's Republic of China in 1949. He has attended numerous soccer matches, even those held between children's teams in Xiannongtan Stadium in Beijing.

One particularly moving story about Deng occurred during the "Cultural Revolution" (1966-76) when Deng was denounced as a capitalist roader. Deng was released from house arrest in 1973, but he had not been assigned a job immediately. On one particular day, during a visit by a foreign soccer team, Deng and his children arranged to attend a match. The family planned to quietly take their seats on the back row of the platform. Quite unexpectedly, however, Deng was spotted upon entering the stadium and the crowd of over 10,000 rose to their feet and gave him a resounding round of applause. Deng obligingly moved to the front row and greeted the audience by returning the applause.

Today, Deng is able to watch soccer games without venturing out in public.

Deng's retirement in 1990 coincided with the World Cup soccer games. The elderly statesman was quite pleased to watch 50 out of 52 matches transmitted by Chinese television stations.

Deng also enjoys Peking Opera and loves to play bridge, which he learned to play while heading the army to Chongqing around the turn of the 1940s.

Three Marriages

Deng has been married three times. His first wife was Zhang Xiyuan, a fellow student at Sun Yat-sen University in Moscow. Zhang died of puerperal fever in January 1930, at the age of 24, and the young baby she was carrying also died.

Deng's second wife, Jin Weiying, was affectionately called A Jin. In 1933, she deserted Deng, who was then being politically hounded by dogmatists within the Party.

Deng's third wife is Zhuo Lin.

Zhuo Lin, originally named Pu Qiongying, was born into a businessman's family in Xuanwei County, Yunnan, in 1916. She entered the Beijing No. 1 Women's Middle School in 1932 and enrolled in the Department of Physics at Beijing University in 1936 after having scored excellent marks on admission exams. Influenced by

progressive students, Zhuo participated in anti-Japanese activities held on campus. After the July 7 Incident of 1937 which marked the beginning of China's War of Resistance Against Japanese Aggression, Zhuo moved to Xian, Shaanxi Province. Carrying an introduction from the Eighth Route Army Office, she entered the Northern Shaanxi Public School in Yanan.

Zhuo and Deng were introduced in the summer of 1939.

They, along with another couple, were married on an evening in early September 1939 in front of Mao Zedong's cave dwelling in Yangjialin Village, Yanan. Zhuo lacked the traditional wedding handkerchief and wedding dress, and the simple wedding banquet consisted of the usual golden yellow millet. Nonetheless, the happy couples posed for wedding photos.

Deng was 35 years old and Zhuo 23.

An "AAA" Telegram

Deng Xiaoping was a strict disciplinarian during his military career. During the war years, high-ranking army commanders would customarily offer congratulations by shaking the hand of any field commander who won a battle.

In March 1947, the Kuomintang troops, under the command of Chiang Kai-shek, staged an attack in north Shaanxi and Shandong provinces. The People's Liberation Army (PLA) led by the Communist Party of China immediately launched a strategic counteroffensive. A field army led by Deng Xiaoping and Liu Bocheng crossed the Yellow River and engaged the enemy in Shandong Province. By July 1947, the PLA army had occupied several cities. Shortly after the successful reoccupation, however, some unit commanders got dizzy with the success and relaxed control on discipline.

Immediately following the battle, commanders of various units attending a high-level meeting beamed with satisfaction, thinking they would be praised by Deng Xiaoping. Unexpectedly, however, Deng spoke tersely when entering the meeting hall, saying, "I will not shake hands with you today!" The action revealed Deng's administrative and disciplinary style, and left a lasting impression on those present.

At the end of July, after army units led by Deng and Liu had conducted operations for 28 days and successfully fulfilled their battlefield objectives in Shandong central authorities ordered them to rest and reorganize before driving into Dabie Mountains in August.

Shortly thereafter, Deng and Liu received a telegram from Mao Zedong, who was himself operating with army units led by Hu Zongnan in north Shaanxi. The "AAA" top-secret telegram, drafted by Mao himself, said, "Conditions in north Shaanxi are quite difficult."

Deng and Liu immediately contacted Mao saying they would take action within 10 days, and military operations were undertaken according to the decision.

Choking and holding back sobs, Deng once told his children, "At that time, we acted without demur, regardless of the difficulties."

November 8, 1989

On November 9, 1989, a dreary rainy day, Deng Xiaoping awoke at daybreak as usual. He had breakfast, and then following his normal routine read newspapers, documents and books.

At nine, Office Director Wang Ruilin entered the room and told Deng that the Party Central Committee, which was holding its Fifth Plenary Session, had held lengthy discussions and gained a full understanding of his determination to apply for retirement and its significance. Deng greeted the news happily, saying, "Good! This matter will be solved!"

At lunchtime, Deng's family discussed the impending retirement. "After I retire, my wish is to live as a common man and lead a simple life. I can go for walks in the street and visit many places," said Deng.

At 3 pm, the Fifth Plenary Session of the 13th Party Central Committee voted and accepted the senior leader's request to resign from his post as chairman of the Military Commission of the Central Committee of the Communist Party of China.

At 4 pm, Deng arrived at the Great Hall of the People.

Party leaders shook hands with Deng. Jiang Zemin, the newly elected chairman of the Military Commission of the Party Central Committee, clasped Deng's hands tightly.

Committee members spontaneously burst into a thunderous applause when Deng entered the conference hall. Deng strolled past the ranks of committee members, including those from the Central Commission for Inspecting Discipline and the Central Advisory Commission.

Smiling, Deng expressed his appreciation for the committee's understanding and support.

Jiang Zemin, who accompanied Deng as he exited the Great Hall of the People, shook hands with the senior leader and said, "I will give my all till my heart stops beating."

When night fell the lights in Deng's residence were still ablaze. The family gathered and Deng's four grandsons and granddaughters presented handmade congratulatory cards. In unison they said, "We hope our grandfather stays young forever."

The family dined on a special meal that night. On the light blue wall was inscribed "1922-1989-Forever." Deng gazed at the words and smiled.

Columnist Views Deng's Foresight, Guidance, Health*HK0809152793 Hong Kong WEN WEI PO in Chinese 6 Sep 93 p 48*

["Sze Hsuan World" by Sze Hsuan (1835-2467): "A Venerable Elder of Good Fortune"]

[Text] The talk 10 years ago, after standing the tests of winds and rains in the past 10 years, is still of profound guiding significance now. This shows the foresight of the person who made the talk. When Deng Xiaoping met with Mrs Thatcher, he uttered some remarks on recovering sovereignty over Hong Kong, and the remarks are now still worth being reviewed.

The Chinese side will never barter away sovereignty. The firm position of the Chinese side is known to all people. Ten years ago, Deng Xiaoping pointed out: "In the 15-year transitional period, it is unavoidable that some minor unrest may occur in Hong Kong. As long as China and Britain cooperate, major unrest can be avoided." As a commentator's article in TZU CHING said, "Hong Kong's experience in the past more than 10 years has fully proved the scientific prediction of Deng Xiaoping."

The 14th CPC National Congress established the CPC's future line and party program, and worked out the blueprint for China's future reform and development. The entire people throughout the country affirm the correctness of the line, and as all people know, that is the spirit of Deng Xiaoping's line. Deng Xiaoping, who has just passed his 89th birthday, is linked to the development future of the Chinese nation. His health has become an issue that all Chinese people are concerned about. People in the world are also interested in Deng Xiaoping's stories. The book "My Father Deng Xiaoping" personally written by Deng Rong has been published. Deng Rong used vivid and moving words to narrate her father's deeds, and the book is highly readable and is popular in Hong Kong.

August 22 was Deng Xiaoping's 89th birthday, and people all wished to see his recent appearance and the scenes of family gathering. That day, Jiang Zemin personally went to Deng's home to extend congratulations. Apart from Deng's family members, only his secretaries and bodyguards could attend the birthday celebrations. When Deng Xiaoping's daughter visits Hong Kong, she will certainly bring photographs and videotapes. In fact, all people who have seen the photos agreed that the old man has bright and piercing eyes, looks perfectly calm and relaxed. He will certainly enjoy good health and a long life.

Bo Yibo's Work 'Provokes Controversy'*HK0809122693 Hong Kong CHENG MING in Chinese No 191, 1 Sep 93 pp 15-15*

[Article by Tsung Lan-hai (1350 5663 3189)]

[Text] A New Work Provokes Controversy in the Higher Echelons of CPC Leadership

One wave has given rise to another one—Bo Yibo's new work has aroused controversy.

The new work is "A Review of Several Major Policy Decisions and Events" (Volume II). The book has not yet been officially published but it has aroused controversy, disputes, praise, criticism, and boycotts in the higher echelons of CPC leadership and in some units which enjoy the right to read the book before others.

What is interesting is that the antagonism and struggle between this "wave" [meaning Yibo] and conservative forces on the one hand and the reformist forces seems to be insignificant. Among those who flatter the "Review" are conservative and reformist factions, and this holds true for those who adopt a critical attitude toward it.

It has been learned that prior to the publication of Bo Yibo's "Review," the CPC elder statesmen stated their views. Some praised it; some belittled it; others both praised and belittled it; and still others refused to take a stand.

Chen Yun: It is Inadvisable to Say That Without Mao Zedong, There Would Be No New China

Chen Yun's views were that any review must withstand later generations' judgments. Therefore, it must tell the truth and facts and shun telling some facts and covering up others elusively. The central authorities once reached a consensus of understanding: It is inadvisable to say that without Mao Zedong, there would be no New China. If we repeatedly stress again the argument that without Mao Zedong, there would be no New China, this is not realistic and practical. From the later 1950's to the most period of the 1970's, the party's life was quite abnormal. Sometimes, it was extremely abnormal. We must respect history.

The views of Peng Zhen, who had stayed in a hospital for a considerably long time, were basically identical with those of Chen Yun. He said: As I see it, it is necessary for veteran comrades in the party, the government, and the Army to write some memoirs to review something. Nevertheless, they should smash the trammels of convention. Past events are gone. However, we must keep sober-minded, respect history and the things our party experienced in the past, including those we experienced ourselves.

Apparently, Chen Yun and Peng Zhen did not agree with Bo Yibo's high appraisal of Mao Zedong.

In His Book, Bo Yibo Dilutes Mao's Mistakes During the Great Leap Forward

The "Review" does not blindly laud Mao Zedong to the skies. For example, it exposed and criticized the mistake of opposing anti-adventurism Mao Zedong committed in the late 1950's as stated by Chen Yun. From the winter of 1957 to the beginning of 1958, Mao Zedong

kept on severely criticizing anti-adventurism, with the spearhead directed at people such as Chen Yun and Zhou Enlai. The "Review" states: "It is not appropriate to criticize anti-adventurism. If it is criticized excessively, this will open up the way for the later big adventurous advance." "The criticism of anti-adventurism is of a serious nature that marks a change in the party's political life to an abnormal state." Bo Yibo was right when he made these remarks. However, he diluted the serious mistakes Mao Zedong committed during the Great Leap Forward. In his book, he wrote: "Although Mao Zedong assumed the main responsibility for the establishment of the people's communes, by no means should he be held responsible singly. The other central leading comrades and we all who attended the Beidaihe meeting raised hands. Therefore, everyone should bear some responsibility." These remarks were contradictory to the previous ones. Previously, he said that "the political life within the party began to turn to an abnormal state" in the winter of 1957. Now that the political life was abnormal, it was not strange that at the Beidaihe meeting, all participants "raised their hands." How can Mao's responsibility be lightened therefrom? Chen Yun was highly critical of this argument. In fact, he regarded Bo Yibo as having failed to "respect history." By stressing throwing convention to the winds, Peng Zhen meant disagreeing to the practice of singing the praises of Mao when every remark is made.

Yang Shangkun Speaks Highly of the "Review"

An "important intellectual" supposes: Chen Yun's remark that the "Review" tells some facts evasively is directed at Deng Xiaoping. "In some movements or events, Deng Xiaoping followed Mao Zedong and he was Mao's capable assistant. The "Review" has inadequately reviewed and not elaborated the facts in this regard. "In so doing, perhaps Bo Yibo intended to avoid hurting Deng's image."

Yang Shangkun, who was regarded as a member of the "reformist faction," spoke highly of the "Review." At a discussion meeting held on 13 July on Bo Yibo's "Review," Volume II, he said: "Our revered Comrade Bo's work 'A Review of Several Major Policy Decisions and Events' is the precious material of the CPC and good teaching material for people of our generation, of the middle-aged generation, and of the younger generation."

Present at the meeting, Hu Jintao, also affirming the publication of the "Review," held that the work was of tremendous practical significance to the drive for reform and opening up to the outside world and economic construction as well.

It has been learned that Wan Li's response to the book was both praiseful and critical. He said: Bo Yibo wrote down what was unknown before, but when touching on Mao Zedong and Mao Zedong Thought, he eulogized them and repudiated his own viewpoints.

Qiao Shi Says the "Review" May Probably Cause the Outbreak of Antagonism

Bo Yibo's "Review" Volume II was distributed among leaders at the Political Bureau level for checking and approval in the last ten days.

When talking about the "Review" at a meeting of the party committee of the Central Party School, Qiao Shi said: "The 'Review' wrote down events at a certain stage. If it writes them thoroughly and comprehensively, this may probably give rise to differing views and cause the outbreak of antagonism. Some understandings and reviews are Comrade Yibo's own personal comprehension and understanding. We can accept them or have reservations. It is inadvisable to impose restrictions and stipulations on individuals' recollections or memoirs."

On 28 June, after discussing Bo Yibo's "Review," the party committee of the Central Party School suggested to the Central Political Bureau: If Comrade Bo Yibo's work is adopted as a course in party schools, this will cause a dispute and dissension within the party and thus give rise to factions within the party. It will impair unity and endanger the smooth progress of the party's central work.

Some research units quite sharply criticized the "Review."

The Central Party Literature Research Center and the Academy of Social Sciences Criticize the New Work

The criticism of the Central Party Literature Research Center was that the "Review" lacked revolutionary courage and insight in reviewing and criticizing Mao Zedong's personal erroneous thinking and behavior. On the other hand, it preached the already discarded erroneous line and policies, saying that without Mao Zedong, there would be no victory of the revolution and without Mao Zedong's wise policy making and correct leadership, there would be no development of socialist China. This is metaphysical and serves as a challenge to the current party line and central work.

In a letter to Hu Jintao and Ding Guangen of the Secretariat of the CPC Central Committee, some research fellows of the Chinese Academy of Social Sciences suggested: Comrade Bo Yibo's work, "A Review of Several Major Policy Decisions and Events," still evades the destructiveness of the party in various political movements and inappropriately continues to advocate Mao Zedong's theory and viewpoints in the relations between political party and state, the status of party leaders, and relations between leader and political party and between individual and collective. The letter said that these problems were to be probed and understood in the course of reform.

There Are More Differences Than Similarities in Appraising the Work Between the Conservative and Reformist Factions

Judging from the different reaction of the higher echelons of CPC leadership to the "Review," although the demarcation line between the conservative and reformist factions in their attitude toward the work is not clear, it still appears indistinctly. The conservative faction belittles more often than praises it while the reformist does the opposite. Of course, because one party can pick some passages from the work to serve its own needs and use them as sharp weapons to attack the other or protect and propagate itself, so there is an extremely complicated and confused situation. While attending the 13 July discussion meeting on the "Review," Hu Sheng, vice chairman of the National Committee of the Chinese People's Political Consultative Conference who was viewed as a conservative, highly appraised Bo Yibo's new work. In his lengthy article entitled "Impressions of the Book 'A Review of Several Major Policy Decisions and Events' Volume II," which was published in RENMIN RIBAO on 16 July, Hu Sheng praised the "Review" as "a Marxist historical work." He said: "With irrefutable facts and a convincing argument, the author of the book showed the close relations between the formulation of the party's line and principles in the new period after 1978 and its experiences and lessons during the 1957-1966 period. In my opinion, by reading the book, we can gain a relatively comprehensive and profound understanding of what happened 30 to 40 years ago and through such an understanding, we can further deepen our understanding of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, including the line and principles which are currently being carried out and will continue to be carried out by our party."

The Central Authorities Suggest Not to Organize Party and Government Cadres to Study the "Review"

According to the original plan, party schools at high and relatively high levels across the country will be organized to study Bo Yibo's "Review." However, for fear that the "Review" would "cause a dispute and dissension within the party and impair unity" as stated in the letter of suggestion of the Central Party School's party committee, the CPC Central Committee decided to call for a halt.

On 7 August, the General Office of the CPC Central Committee formally issued a circular to the party committees of various provinces, autonomous regions, and municipalities, informing them that party and government cadres and party schools at the provincial level will not be organized to study and discuss Bo Yibo's "A Review of Major Policy Decisions and Events" Volume II, which was completed in June this year, and volumes I and II of the "Review" will not be listed as a required course in party schools.

Former XINHUA Official Xu Jiatun on Hong Kong Issues

HK0609105493 Hong Kong LIEN HO PAO in Chinese
29 Aug 93 pp 1, 2, 7

[Interview with Xu Jiatun, former director of the XINHUA Hong Kong Branch, by unidentified correspondents in Los Angeles: "Xu Jiatun Says the Preliminary Work Committee Should Include Democratic and Radical Figures"—first eight paragraphs are introduction by correspondent Li Se (2621 3844)]

[Text] Xu Jiatun, former director of XINHUA News Agency Hong Kong Branch, said in Los Angeles recently, when being interviewed by correspondents, that the reiteration of the words spoken by Deng Xiaoping 11 years ago seems to remind people that if "disorder is created" in Hong Kong the Chinese side does not exclude the possibility of taking back Hong Kong ahead of schedule. But he also said that this possibility is not a great one, because the Chinese and British sides will eventually be able to reach an agreement and cooperate again.

Xu Jiatun was not willing to comment on the appropriateness of the choice of members for the current Preliminary Work Committee of the Preparatory Committee for the Hong Kong Special Administration Region [SAR], but he thought that the Chinese side should absorb the "democratic and radical figures," because this will probably have a better effect, whether in terms of social image or actual operation. He thought that the current actions by XINHUA in this regard were a bit conservative. When correspondents mentioned that there are several persons on the preliminary work committee who were pro-British in the past, Xu Jiatun thought that there was nothing strange in their changing their loyalty, for "this is a normal phenomenon in politics and in society."

Concerning the eagerness among left-wing people in Hong Kong to organize political parties at this time, Xu Jiatun stressed that he did not know their considerations, but he thought that "under certain conditions," this idea of organizing political parties was good.

By so-called "certain conditions" he meant that after 1997 these political parties will participate in the government but not run the government, and that through elections they will enter the Legislative Council, the Urban Council, and the district boards, but will not compete for the post of chief executive, and by so doing they can supervise the government to ensure that it handles things according to the Basic Law, guarantee the implementation of the Basic Law in the legislature, and play a role in balancing the democratic and conservative camps or the upper and lower levels, so as to promote compromise and cooperation among them.

Xu Jiatun still held the opinion that the SAR's first chief executive should be a pro-British person. He stressed that if "a Beijing person rules Hong Kong" after 1997,

then it would be a very unwise choice, and "to put it more seriously, it would be a choice by which [Beijing] alienates itself from the Hong Kong people, breaks a promise to the Hong Kong people, breaks a promise to the mainland people, and breaks a promise to the whole world." However, he is more against the idea of allowing left-wing people to rule Hong Kong, because that would have an effect even worse than that of allowing Beijing people to rule Hong Kong.

Xu Jiatun estimated that during the transition period in the next four years, Hong Kong can hardly avoid constant disturbances. "It is impossible to be completely free of disturbances and quarrels," but efforts should be made to prevent both sides going to extremes. However, generally speaking, he is still optimistic about post-1997 Hong Kong, because "one country, two systems must be implemented, and even the mainland itself is changing."

Talking about the 4 June incident, Xu Jiatun was full of feeling, and he thought that if Beijing's leaders had responded to the petitions by the students at the very beginning, the incident would not have become so big. He said that Zhao Ziyang and Hu Qili should have met the students at the beginning, and that if Beijing's leaders could have met the masses in this way, the incident would not have become a big one, not to mention that coming close to the masses is a tradition of the CPC.

When correspondents asked him about his feelings toward Hong Kong, Xu Jiatun could not help shedding tears. He stressed that he has an affection for Hong Kong people and Hong Kong. He said that during his six and a half years in Hong Kong, he worked wholeheartedly for bringing one country, two systems to Hong Kong, but he had to retire finally because of age. He was thinking of doing something for Hong Kong after retirement, but "subsequently they did not allow me to, and things are as simple as that!" Xu Jiatun stressed that "if Jiangsu is my first home, then Hong Kong is my second home." As for the United States, it is only a "temporary home," and when "Beijing is clear and bright politically," he will return to the mainland. Regarding what is meant by "clear and bright politically," Xu Jiatun said smilingly that: "It goes without saying!"

[Correspondent] You served as director of XINHUA Hong Kong Branch for six and a half years, and had frequent interactions with British officials. Would you like to talk about your experiences? And how would you comment on the current British Hong Kong authorities?

[Xu] I had good private relations with Youde and Wilson. We took care of official business according to official principles, and exchanged ideas on many issues; although our views differed on many matters, we never reached the point of tense confrontation; in particular, Wilson and I were together for a longer time.

[Correspondent] How would you evaluate these two governors of Hong Kong?

[Xu] I am afraid that Wilson knows more about the conditions of Chinese society. I think, from my own viewpoint, his retirement was a regrettable thing for Hong Kong.

[Correspondent] You have not worked with Patten. But how do you feel about him by looking at the news?

[Xu] It is not convenient for me to comment on him, and I do not want to comment on him, because he looks at things and handles things from the viewpoint of a politician.

[Correspondent] How about his political reform package?

[Xu] I talked about this issue last time you visited me. I think that concerning the political reform issue, to Patten himself, it is impossible for his package to succeed and to be recognized by China. [sentence as published] If it is not recognized, we cannot say he has failed; to him, both success and failure are his capital; I do not mean his current capital, but the capital he will use to write his memoirs in the future. My view is that judged from his overall aspirations, his ambition is not in Hong Kong, but in Britain when he later returns home. Therefore, if it succeeds, he has the capital; if it fails, he probably has more capital and a better deal.

[Correspondent] He has the support of the whole of Britain.

[Xu] His policy indeed does not represent him individually, but the personal factor is very big.

[Correspondent] Does this reflect a change in British policy toward Hong Kong?

[Xu] From this angle, that is, after the 4 June Incident, the entire Western world imposed sanctions on China, and Britain also adopted sanction measures through Hong Kong; for example, it stopped official contacts, the Sino-British Joint Liaison Group stopped holding meetings, and many questions were frozen. Britain was actually very tough. But later on the Western world gradually relaxed their tough measures, which basically have now been completely abolished; however, the Hong Kong question is still suffering repercussions. Therefore I say the fact that Britain has sent Patten to Hong Kong to carry out its policy is a "repercussion" of the tough British policy after the 4 June incident.

[Correspondent] If you were still the director of the news agency, how would you handle this repercussion and how would you be different from Zhou Nan?

[Xu] This is hypothesis. Hypothetical matters are difficult to comment on. If I were still director of the XINHUA branch office, I would have many difficulties; because, as I have just said, the sanctions on China imposed by Britain and the Western world together have now been basically abolished, but the repercussions are still there. China is faced with these "repercussions," and my view is that, first, these repercussions will continue to

exist; second, faced with the strong measures by the West, Deng Xiaoping's reaction is to "use strong measures to deal with strong measures," that is, if you take a stronger measure, I will take one which is even stronger than yours. On the other hand, concerning the second half of Hong Kong's transition period, that is, the period from Sino-British negotiations to 1997, the time when the British are about to withdraw, Deng Xiaoping's guiding thought is to prevent the British from "creating disorder" in Hong Kong before they withdraw, therefore it is necessary to strengthen supervision over the British Government, so that it cannot impoverish Hong Kong and leave a mess to the future SAR government. How to supervise? My understanding is that they should mobilize the Hong Kong people to supervise the British Government, but Beijing's current measure is "supervision by Beijing people," not "supervision by Hong Kong people."

The third condition is that Britain is no longer a first-class strong power in the Western world as it was before World War II. It is a second-class power, therefore when it confronts China it does not have many chips in its hands, and it has more worries. Comparatively, China has more chips, therefore when the two sides confront each other, it is not a completely balanced situation in terms of strength, or at least the current leaders in Beijing think so subjectively.

Fourth, after the 4 June Incident, the minds of the Hong Kong people changed greatly, the psychological gap between them and the Chinese leadership widened, and the psychology of "resisting and restraining communism with democracy" developed. However, since Deng Xiaoping made his "southern tour" speech, China has carried out a new round of economic reform, and its economic attraction to Hong Kong has increased, so the gap between the Hong Kong people and the mainland has narrowed to a certain extent. Has the current leadership in Beijing overestimated the narrowing of the gap? Have they underestimated the existing gap? I think they have overestimated the narrowing of the gap, I am afraid so.

There are four objective factors, and in this situation, if I were still the head of the news agency, being restrained or restricted by these subjective and objective factors, it would be very difficult and almost impossible to have a very ideal answer. One is trapped in the middle, with the Hong Kong people stressing feeling, and Beijing leaders stressing their viewpoint, plus the British, who would treat you in that way. An unconvincing answer is that I would cite Mao Zedong's words, which he used when commenting on the character of Deng Xiaoping, that is "a needle hidden in cotton." Use the method of hiding a needle in cotton to fight on just grounds, to our advantage, and with restraint, that is, to win Hong Kong people over to our side, extensively lobby the Hong Kong people, and illustrate with facts as far as possible the essence of the China policy pursued by Patten of the British Hong Kong authorities, but refrain from attaching political labels. In addition, the needs of the

Hong Kong people must be appropriately satisfied, especially their demand for democracy. That is to say, see if there is a certain way available regarding the issue of democratic progress, so as to appropriately satisfy them, and if this cannot be done before 1997, consideration must be given to appropriately amending the Basic Law after 1997. Such an agreement can be reached with the Hong Kong people first, so that in this area the gap between the Hong Kong people and China will not widen further.

[Correspondent] Would you say that the actions taken by the British Hong Kong authorities and the XINHUA Hong Kong branch during Wilson's reign are different from those taken currently?

[Xu] Yes. Wilson had public and private actions. I think that the public actions were a kind of strategy, because when a thing is made public on a public occasion, it can use the hearts of the Hong Kong people as a means of struggle, but people will quickly notice the side effects, which affect negotiations and society, therefore diplomatic negotiations should be conducted privately as far as possible, to reduce disturbing people's minds to the minimum. But this is one's wishful thinking. The British side wants to make things public. As for the Chinese side, if China wants to comment on certain issues of the British side, it would be better to let the Hong Kong people comment first, and let the Hong Kong press comment first, and for China to comment then. This is particularly true regarding official comments.

[Correspondent] Was this your method in the past?

[Xu] Ha, ha, ha. I was not completely able to do that. Politics and economy should be basically separated. Both complete separation and complete unity have great disadvantages. They should be basically separated, to reduce the impact on the market to the minimum, and avoid disturbance in people's minds. But it is impossible to completely separate them. Why? Because both sides have to use economic chips, and it cannot work if the economic chips are left completely untouched. Therefore, one should be able to use as few economic chips as possible, and if one has to use economic chips, use them on a short-term basis. What is a short-term basis? It means that the time must be shortened. Also, use them privately, that is, use them privately during negotiations and do not let society know. Regarding Patten's package, it includes his personal factor, but we cannot look at this thing in just this way, and cannot view it as purely his individual behavior. Because he is the representative of the British Government in Hong Kong! The program he has proposed should be regarded as the program of the British Government, and even though it carries a great weight of his personal factor, it has the support or approval of the British Government, therefore, comment on or criticism of his program should be regarded as comment on or criticism of the program of the British Government. It should not be regarded as an individual thing created by Patten.

If we should say that out of the need of the struggle between the two sides, and to maintain room for maneuver, we do not criticize the British Government at this time, but view Patten as its representative, then we must convince people with reasons, and must not attach labels, nor launch personal attacks.

Finally, regarding international opinion, we should properly handle public relations in the international community, strive to reduce as much as possible the misunderstanding in international press circles, and fight for sympathy as much as possible.

[Correspondent] Do you think the situation is worse now?

[Xu] You may look at it yourself. Ha, ha, ha. If I were still in the post, I would do that. Of course, I am saying this now and it seems I am somewhat smart only in pointing out things which have already happened. When I was there, I could not do that in the beginning. It was a pragmatic matter, because as I said before, the subjective and objective conditions were very complicated.

[Correspondent] China has established the Preliminary Work Committee of the Preparatory Committee for the Hong Kong SAR. Why has it taken such a step at this time?

[Xu] This is perhaps one of China's countermeasures to deal with the actions by Britain, that is, by Patten. When I was there, we did not have such a concept.

[Correspondent] Do you consider the choice of members of the preliminary work committee to be appropriate?

[Xu] I do not want to comment at this time. Generally speaking, it should absorb some democratic and radical figures, and this may have a better effect, no matter whether in terms of social image or actual operation.

[Correspondent] Is it relatively conservative at this time?

[Xu] I think that is the situation.

[Correspondent] There are several persons on it who were pro-British in the past. Do you feel it is strange to see them changing loyalty at this time?

[Xu] There is nothing strange about it; it is a normal phenomenon in politics and society.

[Correspondent] Recently, Chinese officials reiterated Deng Xiaoping's words of 11 years ago, when he said that if turmoil emerged in Hong Kong, he would take Hong Kong back ahead of schedule. Why must they reiterate these words at this time?

[Xu] I think they want to draw attention. That is to say, if disorder is created in Hong Kong, this kind of possibility cannot be excluded.

[Correspondent] Is this possibility likely?

[Xu] I think it is unlikely. How do I look at the Sino-British row? My view is, it is unlikely that the two sides will reach the point of impasse where they cannot turn back and thus they go their own ways. The 10th round of talks is about to begin, and the talks will probably continue, but I think they will make compromises and cooperate again.

[Correspondent] What will be the final result?

[Xu] The concrete result is difficult to say.

[Correspondent] Why do you predict that the first chief executive of the SAR will be a pro-British person?

[Xu] It is not a prediction. When I touched on this issue in my memoirs, I said I had this idea, but an idea does not equate with prediction nor actual future events.

[Correspondent] Why do you have such an idea?

[Xu] Has not Li Yi written an article for HSIN PAO, advocating "Beijing persons ruling Hong Kong"? He said that if pro-China Hong Kong persons ruled Hong Kong, it would be worse than allowing Beijing persons to rule Hong Kong. After reading it, I feel that what he is saying is that if these pro-China Hong Kong persons rule Hong Kong, then, to show they are pro-China, the administration may be even more "leftist"; therefore, to let this happen is not as good as allowing Beijing persons to rule Hong Kong directly, because although Beijing persons may be "leftist" when ruling Hong Kong, they will not be as "leftist" as pro-China Hong Kong persons. The uneasiness caused by allowing pro-China Hong Kong persons to rule Hong Kong is a psychological condition which exists among certain people in Hong Kong.

Second, both China and Britain are grooming and searching for the future chief executive. Judged by the historical conditions of Hong Kong, it has been ruled by Britain for more than 100 years, and the British Government, the British consortia in Hong Kong, and some Chinese consortia which are closer to Britain have gradually groomed a number of persons, who outnumber those groomed by the Chinese side, therefore when a choice has to be made in the future, they have an edge to certain extent. In light of this reality, and to stabilize the minds of the Hong Kong people, I think that it would be better were the first chief executive to be a pro-British person, so as to ensure that when Hong Kong is passed into the hands of the Chinese in 1997, it is relatively steady and free of great disturbances.

[Correspondent] Had you ever encouraged left-wing persons to actively participate in politics before you left office? Has the left-wing camp any ability to influence the overall situation?

[Xu] From the beginning to the end when I was in Hong Kong, I considered things from the angle of one country, two systems; I never considered allowing the left-wing camp or the Communist Party to run the government directly in Hong Kong. If I had done that, would it not

have become "party persons ruling Hong Kong"? Ha, ha, ha. I talked about this very clearly in my memoirs.

[Correspondent] In fact, the left-wing camp is very enthusiastic about organizing political parties these days. Do you believe that they will have the opportunity to influence the overall situation in the future?

[Xu] I do not know their considerations in organizing political parties. I think that to organize a left-wing political party is, under certain conditions, a good idea. What do I mean by "under certain conditions"? It means that after 1997, Hong Kong will have a problem of whether the underground Communist Party should be overt or covert. Suppose we say that the Communist Party should be covert in the future, then it will have some difficulty regarding its position, because how can the Communist Party not be overt after China regains sovereignty over the place? If the Communist Party is not overt by then, or if it is merged with another political party, or if it establishes itself as another political party, or if it is taken over by a political party, then it can participate in government without running the administration, and through elections it can enter the Legislative Council, district boards, and Urban Council. Of course, after entering these organizations, it will participate in government, and to certain extent it will administer, but what I mean by not running the administration is that it will not seek the post of chief executive, nor compete in the election of the chief executive. So what is its purpose or duty? It supervises the government and ensures that it handles things and carries out policies according to the Basic Law; in the Legislative Council and district boards, it guarantees the implementation of the Basic Law. In addition, it can play a balancing role in the government, because it is very likely to be able to play the function of balancing the democratic and conservative camps, and the upper and lower levels, so as to promote compromise and cooperation among them. If it does that, it certainly will have an influence on everyone, and I think the Hong Kong people will welcome this arrangement.

[Correspondent] Can this be considered as Beijing persons ruling Hong Kong?

[Xu] This cannot be considered as Beijing persons ruling Hong Kong, for the function it has is supervision and balance.

[Correspondent] What if it does not go in this direction?

[Xu] Then I will not be able to tell.

[Correspondent] As far as you can see, what are the chances of Beijing persons ruling Hong Kong?

[Xu] I think allowing Beijing persons to rule Hong Kong is a very unwise choice; to put it more seriously, it is a choice by which [Beijing] alienates itself from the Hong Kong people, breaks a promise to the Hong Kong people, breaks a promise to people in the country (mainland), and breaks a promise to the people of the whole world; I think such a choice will not be made by clever people.

[Correspondent] What will happen to Hong Kong in the next four years? Will there be a smooth transition?

[Xu] Is it not true that the current situation is one which can neither be viewed as smooth nor considered not smooth? There are continuing repercussions and disturbances, and it is likely that amid these repercussions and disturbances, quarrels will become fierce at times, and less fierce at other times. Quarrels should be small ones, not big ones, and I think that the next four years will pass amid continual disturbances. It is impossible to be completely free of disturbances and quarrels, but efforts should be made to prevent each side from going to extremes.

[Correspondent] Then what will happen after 1997?

[Xu] The post-1997 situation depends on the elections in 1995, the establishment of the Preparatory Work Committee for the SAR in 1996, and the work to be done; it involves a lot of variables. But generally speaking, I am still optimistic about the post-1997 situation. China simply must follow the road of one country, two systems, and even now the mainland itself is changing.

[Correspondent] Because of the 4 June Incident, many Hong Kong people have different views on China and on Hong Kong's future. How do you feel about the 4 June Incident?

[Xu] I have already talked about the 4 June Incident in my article, "On Peaceful Evolution," and I have nothing new to add. I have not changed up to this moment.

[Correspondent] As far as you can see, what is the very big unresolved contradiction between the central government in Beijing and local people?

[Xu] The biggest contradiction between Beijing and the people of Hong Kong was, in the beginning, the question of whether Hong Kong should be taken back or not, then it became the question of how to run the place after taking it back, and it is still the same question at this time. Concerning the question of how to run it, various people have various ideas, some ideas share a broader common domain, some ideas share a narrower common domain. Can Beijing completely satisfy everyone? Frankly speaking, it is impossible. How can it satisfy the great majority of people? This is the direction in which the greatest effort should be made.

[Correspondent] After the 4 June Incident, the Hong Kong people seemed to have made "two kinds of preparations [as published]," and held very different opinions. Now the economy has improved. How would you view this kind of development?

[Xu] We cannot generalize about the situation. Some people have made two kinds of preparations, some one, the situation is complicated; of course, I agree that quite a number of people have made two kinds of preparations.

[Correspondent] Recently, some people petitioned the XINHUA News Agency Hong Kong Branch, but many of them were not received. What is your view on this?

[Xu] The XINHUA News Agency Hong Kong Branch is an organ sent to Hong Kong by the Chinese Government; it is a representative. Should the Hong Kong people have some opinions, no matter whether positive or negative, they should receive the masses.

[Correspondent] What is your current frame of mind in relation to Hong Kong?

[Xu] Very emotional; I miss it! I often missed Hong Kong and I miss it now. When I wrote my memoirs, I tried to avoid as much as possible doing any harm to Hong Kong.

If you say Jiangsu is my first home, then Hong Kong is my second home.

[Correspondent] Under what conditions will you return to the mainland?

[Xu] When Beijing is clear and bright politically, I suppose.

[Correspondent] When do you think that will be?

[Xu] It is hard to say, perhaps three to five years, perhaps a bit longer; I hope I will still be able to go home in the years left to me; and perhaps this is not a dream. China will improve after all.

[Correspondent] What exactly do you mean by "clear and bright politically?"

[Xu] It goes with saying, ha, ha, ha.

[Correspondent] Some people criticize you by saying that you are too affectionate. Do you agree?

[Xu] They cannot be too wrong.

[Correspondent] Is this the reason you lost your office?

[Xu] This can be viewed as a factor. This kind of impression will deepen when you read my memoirs. In the paragraphs on the 4 June Incident, I talked about my feelings, and although I said I had some reservations, it never meant that when you serve as an official you should have no feelings! How can officials have no feelings? No matter what I do, I am very devoted to it, for I want to understand it as much as possible, and try my best to do it well. You should not think that I am easily carried away by feelings so it will affect my principles and sense of propriety in doing things. You should not look at me like that. When the situation changes, the way of handling problems should change accordingly, but the main principles and the general principles should not change, as demanded by the Communist Party. But depending on the situation and the time, the main principles and general principles should still be amended. When the situation is different from what you think and requires you to change, if you refuse

to change... I think I have some problem in this aspect, otherwise, I would not look like what I am now, ha, ha, ha.

[Correspondent] What is your view of the 4 June Incident?

[Xu] The 4 June Incident was a tragedy for the CPC and the Chinese Government. This I have already mentioned in my article "On Peaceful Evolution," and this is still the view I hold now. The CPC and the Chinese Government have had to pay a high price in terms of politics, economy, and morality. In my memoirs, there is a detailed description of this issue.

[Correspondent] Do you think it should be rehabilitated? [sentence as published]

[Xu] From my point of view, it should be, and will be.

[Correspondent] When will it be rehabilitated?

[Xu] I do not know.

[Correspondent] Over the past several decades, a cycle of movement, rehabilitation, movement, rehabilitation has existed in China. Do you think this rule should change a little?

[Xu] After crushing the Gang of Four, Deng Xiaoping once raised this issue, and he said that no more movements should be launched. But in fact the situation has not improved thoroughly, that is to say, movements which are not called movements are still being launched, only the terms and some practices are different in some ways from those in the past.

Rehabilitation should be regarded as solving some problems which arise from movements. Some people are adversely affected, and rehabilitation is a beginning of the solution of the problem, and this means the problem will have a solution which is completely different from the past, therefore rehabilitation is very important.

It seems that the rule remains unchanged. I am still following it.

[Correspondent] Deng Xiaoping said no more movements should be launched, but is he himself launching movements?

[Xu] At least, he said he subjectively did not want to launch movements, and at least, we say he is actually launching movements. Does he subjectively want to launch movements? I do not know.

Deng, Chen Factions View Anticorruption Fight

HK0809102593 Hong Kong CHENG MING in Chinese No 191, 1 Sep 93 pp 6-8

["Notes on a Northern Journey" by staff correspondent Lo Ping (5012 0393): "Anticorruption Triggers Power Struggle Between Deng and Chen"]

[Text] While it is corrupt elements that the Deng faction is targeting, the Chen faction is targeting the line of the Deng faction. On the current situation and the anticorruption campaign, intellectuals agree that anticorruption has touched off a new round of power struggle, and Chen men are trying to turn anticorruption into opposition to Deng's line.

Deng Xiaoping Stresses Launching the Anticorruption Struggle

Fight corruption, fight corruption—the thunder is loud.

"Exchanging power for money and debauchery are two main aspects in current corrupt phenomena." The statement, though coming from Jiang Zemin, was in fact taken from "Quotations from Deng Xiaoping."

Deng Xiaoping stressed launching an anticorruption struggle in a conversation with central leaders early in August, saying: "We must face up to the serious nature of corruption within the party. We must stop turning a blind eye to it. Exchanging power for money and debauchery, abusing special powers to line pockets are the prominent features in the current corrupt phenomena. Things have become so serious and pernicious that they are not only disrupting and undermining the party's central tasks, but are also threatening party leadership. If we do not gear up to fight corruption and eradicate it, the communist party will probably lose people's support and its foundation, deteriorate, and go under. This is entirely possible."

This is Deng Xiaoping's latest instruction conveyed by the CPC Central Committee and State Council on 14 August to persons-in-charge of central ministries, committees, and offices.

Jiang Zemin, however, deleted on some speaking occasions "abusing special powers to line pockets" from Deng Xiaoping's 12-character characterization of current corruption problems, possibly for reasons of brevity, possibly to avoid such strong words as "special powers."

Within CPC top echelons, both the Deng and Chen factions and the reformists and conservatives share the view that corruption can ruin the party. In Jiang Zemin's words from a speech, which was scheduled for 21 August, but had been revealed to the outside world before that date: We cannot underestimate the seriousness and harm of corruption, which is like a virus invading the body of the party and state. It will bury our party, our people's regime, and socialist modernization if we do not attack it seriously and allow it to spread unchecked.

We Have to Exterminate the Worms Inside Public Security Apparatus

Leading party and government organs, judiciary, administrative, law-enforcing, and economic administrative departments have been listed as key targets for inspection. In fact such inspections began in earnest in early

August. High-level officials revealed that the operation might first target the public security apparatus, which has incurred greater people's wrath and hatred.

It is understood that on 3 September, the CPC Central Committee Secretariat called a work conference of departments and committees under the Central Committee and State Council announcing that the operation would first direct its effort at the Ministries of Public Security, Railways, and Foreign Economic Relations and Trade, domestic trade authorities, the Civil Aviation Administration of China, State Administrations of Industry and Commerce, the State Administration of Taxation, and so on.

The State Council appointed Wei Jianxin to head a task group and sent it to the Ministries of Public Security and Justice to participate in the leadership of the ministries' party groups.

On 6 August, Wei Jianxin announced at a public security ministry party group expanded meeting his determination to wipe out the worms and bad elements inside the public security ministry and overhaul ministry leadership, that he would not quit before the planned objectives were reached. He said that corruption and the violation of discipline and law in the public security apparatus were serious, that it was a fact that public security cadre and police forces were varied in performance, that on the whole quality was poor, the problems serious, and there was much resentment among the people against the apparatus. He also said that the Central Committee and State Council were determined to reverse the situation in public security in six months and expected to see greater improvement in one to one and a half years. This is going to be a tough war, but the image of our people's democratic dictatorship and the PRC's image will be ruined if we do not fight it well.

Somebody Among the Senior Statesmen Intends to Undermine Deng Xiaoping with Anticorruption

Many intellectuals in Beijing believe that corruption within the CPC has never been so serious, and the absence of a sweep against it would deepen the social and intellectual crisis and shake the CPC's political foundation. But some think that this might be "a good thing because the lousy situation" might usher in a new period.

"Fight against corruption, fight against corruption—I don't know how many times it has happened before. This time they are claiming to take on big cases, arrest a certain number of people, and kill a certain number. Will they make it this time?"

A cadre with connections at the Organization Department answered me: "No, they cannot. The most they can achieve is, as they say, to 'arrest and kill a certain number.' But they won't be able to solve the problem."

Apart from citing all the previous half-hearted and ill-fated attempts at anticorruption and antigraft movements as proof that there was no way to cure this chronic

disease of corruption under the rule of persons and a nexus of officials' mutual protection, he revealed a "secret"—somebody in top party echelons and among the party veterans is exploiting the current anticorruption drive to undermine Deng Xiaoping.

Has somebody gotten hold of Deng Xiaoping's or his family's vulnerable points, like some of them have been involved in "exchange of power for money or debauchery?"

There have been no signs that this is the case.

But there are signs that somebody has added slogans such as "opposing wholesale westernization" "opposing the rightist tendency" on top of "anticorruption."

This is plainly a slogan against reform and opening up and the Deng Xiaoping line.

On 14 August, the CPC Central Committee and State Council conveyed Deng Xiaoping's "latest instructions" as well as other CPC senior statesmen's speeches on anticorruption.

Chen Yun: Corruption Within the Party Affects Its Leadership

Chen Yun said in a meeting with Zhejiang party and government leaders in Hangzhou on 1 August: "Corruption within the party has affected its leadership power and weakened its authority. Rampant corruption within the party shows that the party is weak in its self-improvement and nonproletarian ideology has taken over our positions. Facts have again proved that some leading cadres have failed to face up to the mutation of the communist party and succumbed to the infiltration and erosion of Western peaceful evolution. This cannot be put down as a small number of leading cadres going the criminal way or a small number of communists metamorphosing and mutating. In a period of building socialism, it amounts to a test and verification of our party leaderships' understanding, comprehension, and use of Marxism whether it can admit the existence of bourgeois ideology, the erosion of the West to the party contingent and ideology, and the possibility that the party contingent might mutate."

Peng Zhen Puts Forward "Three Againsts" as the Central Tasks for the Party

Peng Zhen told the central leaders who visited him in the hospital in early August that they should not prevaricate on the problem of corruption. If they are not really determined, the party will cease to be a viability for the people and will crumble by itself. Some veteran cadres have forgotten the genuine cause, have changed and consumed all their political capital, and are going against the party's and people's interests, or sliding in that direction. I resolutely support the party Central Committee to make anticorruption, opposing wholesale westernization and peaceful evolution the central tasks for the party and not to call it quits until there are tangible results.

Song Ping said in an address to a regular daily-life meeting of veteran comrades in early August that corruption within and without the party is inseparable from the rightist thought guidance given by central leaders and decisionmakers. If we concentrate only on construction and neglect party construction and the self-transformation of ideology and awareness, we will surely suffer grave setbacks at the infiltration of American and Western ideology, and political and economic subversion and intervention as part of their peaceful evolution. Fortunately we are facing up to the fact and have woken up. This is good.

Yao Yilin: One Outstanding Problem Has Been the Rightist Tendency of the Party Leadership

At the same meeting, Yao Yilin said that we will eventually pay dearly and suffer serious losses for not confronting the danger and harm of corruption and depravity. I believe the outstanding problems in recent years has been the rightist tendency of the leadership. Facts have made the conclusion for us: Those who deny the status of ideology are not Marxists.

Song Renqiong told the central leaders who visited him in the hospital in the second half of July that intraparty corruption and people's calls have sounded the alarm bell for us. Bourgeois liberalization is forever attacking us. Hegemonistic intervention, subversion, and infiltration are waiting to pounce on our party leaders' rightist tendency and the deterioration of our party contingent. If we do not conduct party construction well and correct the rightist guiding thought, there will be great trouble in three, five, or 10 years.

The Chen Faction Insinuated that Deng Xiaoping Has Made Errors in Matters of Lines

Speeches by Chen, Peng, and the two Songs agree on one point: There is the problem of line in the guiding thought provided by leaders and decisionmakers: The problem of the rightist tendency. "Wholesale westernization," "peaceful evolution," and whatnot are all manifestations of the rightist tendency. This common point was spelled out in for-internal-reference-only articles by Chen Yun and the two Songs marking this year's "1 July" party-founding day. Chen Yun, for instance, criticized "wholesale westernization" in his article, saying that since reform and opening up in the 1980's, there has been a tendency within the party of copying wholesale Western economic models and forgetting the national situation, leading us on all the wrong paths. We suffered a lot and paid dearly a few years ago for this.

Does the leadership the Chen faction alluded to in its rightist tendency charges refer to one person, or a group of leaders?

Again it is the cadre having work contact with the Organization Department that provided me with the answer: "I believe it refers to Deng Xiaoping. They are opposing reform and opening up under the guise of

opposing the rightist tendency and 'wholesale westernization.' They have stopped linking reform and opening up with corruption. They are being more direct now, pointing out that the rightist thought resulted in corruption."

Factions are now clearly defined. Senior statesmen in favor of reform speak with a different tone.

Wan Li and Yang Shangkun Affirm Deng Xiaoping's Line

On 3 August, Wan Li said in conversing with some people's congress Standing Committee members that the party's line, principles, and policies depend on the thorough implementation of anticorruption, the overhauling of party force, and the satisfaction of most people with the effort. The new round of struggle will be even more difficult and will come up against more resistance than reform and opening up. Resistance will come from the privileged within the party, the challenge to the authority of the legal structure and party discipline, and people's ideology and old habits.

Yang Shangkun said at a veteran comrades' daily-life meeting that for many years we have neglected work on the party and party construction. The responsibility lies with us, the whole generation of old cadres. We did not understand well enough Comrade Xiaoping's consistent call for grasping and attaching equal attention to two kinds of work and allowed the situation to develop to such a stage.

Wan's and Yang's sayings were culled from 14 August CPC Central Committee and State Council circulars. They did not mention any problems about rightism. They explicitly affirmed and supported Deng Xiaoping's line. Yang Shangkun also pointed out that corruption had resulted from failing to heed Deng Xiaoping's "advice." A comparison of their words with Chen faction's will remind one of a saying: Birds of a feather flock together. Or we may add: Factions determine the position.

New Rounds of Power Struggle Touched Off by Anticorruption

"You fight your war and I mine." This is one of Mao Zedong's tactics. It now looks that the Deng faction wants to strike at corrupt elements whereas the Chen faction wants to attack the line of the Deng faction. Beijing intellectuals with great acumen are exchanging latest stories as well as views on the current situation and anticorruption drive. They agree on one thing: Anticorruption has touched off a new round of power struggle, and Chen men are trying to turn anticorruption into an opposition to Deng's line.

However, the attempt to undermine Deng Xiaoping's line and disrupt reform and opening up with "anticorruption" has found only a small market in the Political Bureau. Jiang Zemin, endorsed by the Political Bureau, will be speaking at the CPC Central Commission for

Discipline Inspection. First, there is no mention or insinuation that Deng Xiaoping's line led to corruption. Second, he will point out that some people have made a mistake in setting anticorruption against economic construction (which of course includes the market economy) and reform and opening up. Third, he will stress all tasks must be oriented toward economic construction. Fourth, he will stress studying Deng Xiaoping's speeches on anticorruption and holding them up as the ideological guide for the anticorruption drive. From this we can see that the conservatives' new round of attack on Deng Xiaoping's line is already falling apart even before it is staged. Of course, this does not necessarily mean that anticorruption will not turn up something miraculous.

Article Urges Anti-Corruption Struggle

HK0809140093 Beijing FAZHI RIBAO in Chinese
24 Aug 93 p 1

[Article by Fu Jie (0265 2638), member of standing committee of the Central Discipline Inspection Commission: "Resolutely and Persistently Carry Out Anti-corruption Struggle"]

[Text] Under the situation of building the new socialist market economic structure, the Central Committee and the State Council have recently increased the strength of the anti-corruption struggle to insure the realization of the various targets set out by the 14th Party Congress, resolutely implement the party's basic line in a comprehensive way, and better adhere to the principle of "doing two types of work simultaneously, attaching equal importance to both." At the Second Plenary Session of the Central Commission for Discipline Inspection now under way, Comrade Jiang Zemin has required party committees and governments at all levels to do a good job of firmly grasping the anti-corruption struggle as an important political task.

Fighting corruption is the inevitable requirement of implementing the party's basic line as well as an important insurance for pushing reform, opening up, and promoting economic construction and growth with focused efforts. Thus, it is imperative for us to adopt effective measures to resolutely and persistently unfold the anti-corruption struggle. Economic construction is the central task of the whole party; an important prerequisite for unfolding the anti-corruption struggle is to quicken pace in reform, opening up, and building the socialist market economic structure. This being the case, the anti-corruption struggle should be conducted under this prerequisite, on the one hand, to serve economic construction, reform and opening; on the other hand, it is necessary to quicken the pace of reform and opening up, while requiring a fight against corruption to remove various hindrances, thus providing a sound social and political environment for the development of economic construction and the conversion of various structures. This precisely requires "grasping the two civilizations simultaneously, attaching equal attention to both." This

is the fundamental idea that must be primarily established in adopting effective measures in unfolding anti-corruption struggle.

First, deepening reform and opening up and developing the socialist market economy is the fundamental way to resolve the issue of corruption.

Reform, opening up, and developing the socialist market economic structure are precisely the course of the self-development, self-completion and self-perfection of socialism with Chinese characteristics, as well as its continuous development, while continuously rejecting negative factors. In this sense, the negative phenomenon of corruption surfacing today is not the inevitable consequence of reform, opening up, and developing the market economy, but the consequence of reform and opening up not being deepened, reformative measures not being in the whole range, and the market economic structure not being complete and perfect. Thus, to basically resolve these issues, we cannot resort to the old ways under the condition of a highly planned economy, but must rely on deepening reform and developing the socialism market economy to increasingly create more conditions to halt the spread and breeding of the negative phenomenon of corruption.

Deepening reform and opening up and developing the socialist market economy will gradually eliminate the soil on which corruption is bred because of the shortage of goods. A highly developed productive force is an important condition for ultimately eliminating corruption. In the present phase, the contradiction between people's ever-increasing material and cultural demands and an underdeveloped productive force remains; this makes some people seek some petty interests, while forgetting righteousness, with the rise in the objective possibility of abusing power to pursue some activities in violation of the law and discipline. Major cases of leading members of some enterprises abusing power in approving sales of goods in short supply by accepting bribes have fully demonstrated this point. On the other hand, illegitimate operational means will go unchecked, and behavior in violation of the law and discipline as well as corruption will take place when the commodity economy trends to be active but not mature, the legal system is incomplete and imperfect, and proper operation as well as rational fair competition can hardly be insured. Only through deepening reform, emancipating and developing productive forces, will it be possible to provide the material conditions for eliminating the phenomenon of corruption. Thus, the objectives of economic development and eliminating corruption coincide with each other, and it is necessary to include the anti-corruption struggle and advocating clean government in economic development.

To deepen reform and opening up and basically change the economic structure that binds the development of productive forces will uproot the structure that breeds corruption. The continuous breeding of the negative phenomenon of corruption has been very stubborn

despite correction. In all social and historical causes, a very important point is that there are causes and conditions at a deeper structural tier. To halt the phenomenon of corruption, we should refrain from treating symptoms only but not the disease, and resolve problems at the fountainhead, starting from those fundamental issues such as the structure, systems, decrees, regulations, policies, supervision, and administration. First, we should rely on building the socialist market economic structure to change malpractice and stop up loopholes resulting from the old economic structure, and take the crucial and decisive step to eliminate from the structure the root causes breeding corruption. Then we shall rely on reform and opening up to further magnify supervision mechanisms, augment building of the legal system, and deepen financial and monetary restructuring and policies of the personnel system so that the anti-corruption campaign may be put on an entirely new track.

Deepening reform and opening up, augmenting building of democracy and the legal system, and implementing effective supervision and restriction of power will check the development of phenomena of abusing power and corruption. Various expressions of inner-party phenomenon of corruption are mostly related to abusing power. Abusing power to seek personal gain is a marked characteristic of the phenomenon of corruption at the present phase. Because, on the one hand, under the negative effects of the malpractices of high centralization in the original structure at a stage by which the new structure is replacing the old, some people with questionable qualities are liable to abuse the power in their hands as the means to seek personal gain or use the influence of power to seek illegitimate political and economic interests. On the other hand, the negative effects of the market economy will make some commodity producers and managers adopt illegitimate means to "ease" things, whereas those people who are in such crucial posts as having control over men, money and material resources and authority in examination and approval will take advantage to indulge in feasting themselves, taking things away with them, making things difficult for others, and asking for money or materials [chi na ka yao 0676 2169 0595 6008], while taking advantage of their posts to engage in trading power for money in a big way. Power free of restriction is liable to lead to corruption. Excessive centralization of power while lacking supervision and restriction is liable to lead to the abuse of power. Under the conditions of the market economy, power turns into a commodity, and that is an important cause for abusing power to seek personal gain. An important element of deepening reform and developing the socialist market economy is precisely to include all social and economic activities on the track of the legal system, so that the exercising, supervision of authority of office according to the law, and penalizing the abuse of power according to the law may shape into an integral and effective operational mechanism. The realization of the rational allocation of resources through market mechanisms with legal insurance is conducive to eliminating the malpractice of abusing power resulting from

high centralization in the original structure. Through reform, the power and role of the people's congress will be augmented, and a power restrictive mechanism inside the party and state power organizations will be founded to further check the phenomenon of corruption characterized by abusing power to seek personal gain.

To deepen reform and do away with malpractice resulting from failure in thorough implementation of comprehensive reform and frictions between the new and old structures may stop up the loopholes that lead to the surfacing of the negative phenomenon of corruption. In the initial phase of socialism, the dual-track price system of production means have provided the possibility for the exchange of power and material wealth, thus becoming the hotbed for the growth of the phenomenon of corruption. Only through reform to terminate the dual-track system will it be possible to reduce the phenomenon of corruption to a minimum.

Second, it is imperative to resolutely and persistently guide the anti-corruption struggle to develop in depth.

Although deepening reform and opening up and developing the socialist market economy is the basic channel to resolve the corruption issue, we cannot sit and wait for the completion and perfection of the socialist market economic structure and outcome of various measures for deepening reform before we start to fight corruption, that would be unrealistic. If we fail to shed such illusions, the completion of the socialist market economic structure will never come true, but in the course of sitting and waiting, in-depth reform and the building of the socialist market economic structure may perish because of the flooding of the negative phenomena of corruption. Thus, while deepening reform and developing the socialist market economy, we must resolutely and persistently fight against all sorts of corruption, and genuinely implement the principle of "doing two types of work simultaneously, attaching equal importance to both."

First, it is imperative to further unify thinking and firm up faith in the anti-corruption struggle. We must oppose such wrong ideas as having no desire to grasp the struggle because of a lack of confidence, not daring to grasp it because of all sorts of misgivings, passively doing a superficial job of it because of a lack of seriousness, and opposing the anti-corruption struggle because of erroneous understanding. We must have a clear understanding that any tolerance of or indulgence in the negative phenomenon of corruption is a crime against the cause of the party and the people. The market economy does not equate to the phenomenon of corruption. When we set out to develop the socialist market economy, we do not mean to give the "green light" to corruption.

Second, we must firmly crack down on corrupt elements. Regarding those corrupt elements, no matter who they are, they must be resolutely penalized according to party discipline and state law. The investigation and handling of major cases of violating the law and discipline should

be grasped as a breach in anti-corruption struggle. It is necessary to grasp those major cases that involve many persons and huge sums in violation the law and discipline, as well as those important cases that involve some leading cadres in important posts with great power and influences. Only by solemn investigation and handling of major cases of violating the law and discipline will it be possible to effectively halt the rise and spread of the phenomenon of corruption and genuinely win the faith of the people. Practice over the years has proven that whenever we sternly and earnestly implemented the law and discipline, and resolutely penalized corrupt elements, corruption is reduced somewhat, and there will be a relatively stable social environment for economic construction, reform and opening up. Therefore, it is imperative to resolutely enforce law and discipline on corrupt elements to penalize corruption and advocate honesty. Law and discipline enforcement departments must do a good job of fully applying the functions and authority endowed to them by the law, decrees, and policies, and expand clues of cases to promptly and accurately penalize corrupt elements.

Third, it is imperative to resolutely overcome various negative phenomena of corruption and correct all sorts of unhealthy tendencies in trade; work in this arena should be grasped constantly and unremittingly, and recurrence of such phenomena should be dealt with, while guiding anti-corruption in depth step by step. Objectively speaking, there is just a handful of corrupt elements, and what exists in society today is voluminous corruption and unhealthy tendencies in trade; the masses have a great many complaints against those problems. Regarding the small number of corrupt elements, we should by no means show mercy but firmly penalize them. Whereas regarding the voluminous negative phenomena of corruption, we must see the protraction, arduousness, and complexity, establish the thinking of waging a protracted war, and do a good job of the anti-corruption struggle. On the basis of establishing the fundamental thinking of waging a protracted war in the anti-corruption struggle, we should do a good job in scoring phased results in the anti-corruption struggle; efforts must be focused on doing a good job of phased campaigns; work in this arena should be grasped constantly, and recurrence of such phenomena should be seriously dealt with. We must adhere to the unification of phases and protraction as well as the unification of immediate tasks and long-range goal.

Third, in anti-corruption struggle, it is necessary to conduct comprehensive improvement, take care of the symptoms while effecting a permanent cure, and gradually put anti-corruption on the track of legalization and standardization.

To include the anti-corruption struggle on the track of legalization and standardization is the objective requirement of pushing it in an orderly and comprehensive way under the new situation, and the inevitable trend in unfolding it in depth. Placed before us with great pressure is the work of augmenting party style and building

clean government and the building of a legal system in anti-corruption struggle to gradually put it on the track of legalization; we should lose no time in gradually shifting the focus of our work to legalization. Just as Comrade Xiaoping has stressed, "we had better rely on the legal system; it is more reliable to pursue the legal system." The 14th Party Congress report has also explicitly indicated that "it is all the more necessary to rely on the legal system in building clean government." By no means should we rest satisfied with the initial results of the anti-corruption struggle and neglect the building of party style and clean government. Presently, in augmenting the building of the party style and clean government, as well as the legal system, in the anti-corruption struggle, it is necessary to pay attention to work in three areas: First, it is necessary to weed out laws, decrees, regulations, and institutions shaped under the past planned economic structure; inappropriate ones should be abolished; some need to be revised and strengthened, while others need to be further magnified. Second, it is necessary to formulate decrees and regulations synchronous to a market economic operation based on the actual need of the building, completion, and perfection of the socialist market economic structure, including decrees and regulations on standardization of behavior and restriction with supervision. And third, it is necessary to boldly refer to the Chinese history and all anti-corruption experiences and measures in Western developed countries that can be used by us. Thus, we shall establish a whole range of legal structure, judicial institutions, and effective anti-corruption organizations with Chinese characteristics compatible with the socialist market economic structure, while genuinely putting the building of party style and clean government on the track of legalization.

The shaping, completion, and perfection of the legal system involve a comparatively long process; however, developments in real life do not allow us to sit and wait for the completion and perfection of the legal system; we must actively and enthusiastically formulate practical and feasible rules and regulations to make up for insufficiencies in the building of the legal system. Presently, we should pay attention to deepening investigation and study, and plunge ourselves into the realities of reform, opening up, and building the socialist market economy to discover new conditions, study new problems, and resolve new contradictions, while enthusiastically and actively formulating corresponding regulations or setting out corresponding requirements in discipline regarding some new problems in the course of fighting corruption, by making explicit those which we are sure of, while completing and perfecting them in the course of trial implementation. Various localities and departments should not wait for and rely on instructions from above, but proceed from reality and formulate some institutions, rules, and regulations based on general principles in the party constitution and state law.

In short, laws, decrees, rules, and regulations are signs to judge whether or not the market economy of a country is

mature. Objectively, market economic development demands standardization of market behavior through legislation to realize fair competition and insure proper rights and interest free of violation, and promoting the smooth dovetailing of the domestic and world markets. In the course of pushing the building of the legal system synchronously with the market economic development, the anti-corruption struggle will inevitably be put on the track of the legal system. Through compulsive legislation, it is stipulated that public servants are not allowed to ask for bribes and accept gifts and to abuse power; through legislation as a precaution measure, the implementation of an anti-favoritism system and a system of declaring assets is required; through legislation on penalties, the anti-corruption function of the penal code will be magnified to embody the principle that any crime must be penalized, and the penalty must be proper. Beyond a doubt, the development of the market economy to a high degree, and gradual completion and perfection of the legal system, are sound policies for anti-corruption and advocating honesty, and especially important in reality.

Fourth, it is imperative to have faith in and rely on the masses in the anti-corruption struggle.

Our party and government can achieve nothing without the people's support; it is the same with the anti-corruption struggle. To have faith in and rely on the masses does not mean to pursue a mass campaign.

To have faith in and rely on the masses, it is primarily necessary to establish the faith of the masses in fighting corruption. The masses are filled with hatred against all sorts of negative phenomena of corruption as well as a yearning for eliminating those phenomena; that is the solid foundation for the party and government to wage the anti-corruption struggle. Only by adopting effective measures and resolutely penalizing corrupt elements will it be possible for us to live up to the people's expectations. Otherwise, the people will lose their faith in the party and government in the long run.

Only when we have faith in and rely on the masses will it be possible to expand the clues to various cases. The people are the victims in the phenomena of corruption as well as those who are in the know. Thus, so long as the masses are mobilized, corrupt elements can find no place to hide, and the phenomena of corruption will be effectively halted. Presently, some of the masses are not so confident in the anti-corruption struggle, mainly because they have complaints against weakness in penalizing corruption, and their enthusiasm has been dampened. In this way, the incidence of the masses reporting to the authorities against offenders through letters or visits will drop. In the anti-corruption struggle, the masses see not only what we have written in documents, read what is written in the press, hear what we say, but more importantly see our practical action, whether it is genuine and substantial. Thus, first, it is imperative to hold aloft the banner of party style and clean government, magnify the

call for penalizing corruption, and correctly guide people's enthusiasm for the anti-corruption struggle; second, it is imperative to earnestly regard the investigation and handling of cases as breakthroughs of the anti-corruption struggle, while exposing some important cases of effects to enhance the masses' faith in it; third, it is necessary to adopt active measures to encourage and protect mass enthusiasm for reporting to the authorities against offenders; and fourth, it is imperative to further establish, complete, and perfect mass supervision mechanisms.

Fifth, it is necessary to start from precaution and augment supervision inside and outside the party in the anti-corruption struggle.

Incomplete and imperfect mechanisms of supervision and restriction and weak precautions and supervision are objective factors that will lead some people to violating the law and discipline. If supervision work inside and outside the party is complete and perfect, it is possible that fewer people will commit mistakes. On the other hand, the number of corrupt elements is extremely small, whereas numerous cases of some negative corrupt phenomena exist. We should resolutely crack down on the former; regarding the latter, we should proceed with caution and guard against gradual creeping corruption.

True, the supervision mechanism in China has been augmented, completed, and perfected continuously in recent years, and the implementation of the two-directional supervision mechanism characterized by top-down supervision of one level over its immediate subordinates, the central supervision mechanism with discipline inspection, supervision, and auditing departments as the key, and the social supervision mechanism have all played an important role. But there was a loss of control in the restriction of power because the supervision system of some departments was weak in the past, and failed to conduct supervision and control over unhealthy tendencies in trades and some behavior of corruption; consequently, objective conditions have been provided for the spread of unhealthy tendencies. Thus, it is imperative to augment supervision inside and outside the party to shape a comparatively complete supervision system characterized by an up-down combination, simultaneous internal and external supervision, and horizontal mutual supervision. The starting point of supervision should be placed on improving the power structure and regulation mechanisms so that power can be rationally employed.

It is necessary to adopt the form of legislation, standardize the behavior of leading members, and formulate explicit regulations on the function and responsibility of party and government cadres and law-enforcement personnel at all levels to convert the rule of man to the rule of law so that power relations may be put on the track of the legal system to prevent the abuse of power. It is necessary to give full play the role of auditing organizations, especially the auditing supervision of financial

administrative departments. Auditing should be conducted in some units on the condition of their financial revenue and expenditures to promptly discover and stop loopholes, to make provisions before troubles occur. At the same time, it is necessary to augment the supervision role of public opinion. All negative phenomena of corruption are afraid of coming to light; as soon as such phenomena are exposed to the people by public opinion, they will lose the market for their existence in the mass voice of justice.

And sixth, it is imperative to augment ideological education and improve qualities of cadres who are party members and state public servants in anti-corruption struggle.

To eliminate graft, preserve clean government, and halt corruption, one of the basic measures is to do a good job of grasping the ideological building of the rank and file of party members. It is necessary to start from grasping ideological education and improving its theoretical level and ideological consciousness to lay a solid ideological foundation for resisting corruption and degeneration. Education in anti-corrosion and anti-corruption should be linked to the party's education in ideals, purport, and discipline as well as in the party line, principles, and policies. We should resort to such means as literature and art, journalism, films and television, and various educational means to encourage healthy trends, to deal blows at and expose corruption, and to shape an atmosphere of "regarding honesty as honorable, and corruption as shameful." It is necessary to take the theory of building socialism with Chinese characteristics and the spirit of the 14th Party Congress as guidance, and conduct education in the party program, aims, ideal, discipline, and fine traditions, and education in a correct outlook on life, values, and moral concepts to magnify the capability for resisting the corrosion of such decadent ideas as money worship, hedonism, and ultra-individualism. We should lose no time in conducting investigations and forecasts aimed at laws governing unhealthy tendencies rising inside the party before the presentation of every decision and policy of the party, or at such points when problems are liable to take place, briefing those people concerned on the situation, doing a good job of education in precautions to nip the evil in the bud. We should be good at discovering and grasping inner-party ideological trends and tendencies in violating discipline in the course of implementing decisions and policies, do a good job of timely education and resolving problems in the embryonic stage. According to the characteristics of the relative stability of ideology and unhealthy tendencies lasting a long time, we should persist in education in party style and discipline and in anti-corruption at all times, and do a good job of grasping constant education through various educational content and flexible forms to improve party members' ideological and political qualities to augment the capability of the rank and file of party members to resist corruption and guard against degeneration.

In a nutshell, the new situation has set out a new test and provided an opportunity for the anti-corruption struggle.

So long as the whole party from top down genuinely guides itself with Comrade Xiaoping's theory on building socialism with Chinese characteristics, resolutely implements the principle of "grasping two types of work simultaneously, attaching equal importance to both," we are able to stand the test and score victories of the anti-corruption struggle and economic construction.

Supreme Court Calls for Strict Law Enforcement

HK0909122693 Beijing XINHUA Domestic Service in Chinese 0816 GMT 4 Sep 93

[Report: "People's Courts at All Levels To Carry Out General Examination on Enforcement of Law and Discipline"]

[Text] Beijing, 4 Sep (XINHUA)—The Supreme People's Court recently issued a circular calling on courts at all levels to carry out a general examination of the enforcement of law and discipline in the fourth quarter.

The circular called for courts at all levels to closely integrate the reality of courts, conscientiously study and incisively understand the speech Comrade Jiang Zemin made at the Second Plenary Session of the Central Commission for Discipline Inspection and the spirit of this session, resolutely put into practice the concrete plans and various demands forwarded by the Central Committee on the struggle against corruption, and further grasp firmly and effectively the anticorruption struggle as a major political task in a bid to enhance the level of law enforcement and push forward the building of an honest government.

The circular pointed out: The key point of the current general examination on the enforcement of law and discipline will be the implementation of plans and demands put forward by the central authorities for the anticorruption struggle and of the Supreme People's Court's "Circular on Rectification of Malpractices Including Slack Enforcement of Law and Arbitrary Collection of Charges" in courts at all levels. Problems such as indulging in local protectionism, considering relationships and human feelings in handling cases, seeking personal gain by abuse of power, making unfair judgments, and so on, should be given a prominent position in the general examination. Regarding serious cases, the courts of higher authorities should send personnel to help handle them. Regarding the units which ignore and resist central instructions, defy orders, and disregard prohibitions, relevant leaders' responsibilities should be resolutely investigated and affixed after facts are ascertained.

The circular called for courts at all levels to seize hold of the outstanding problems of their own units to strictly check and act upon events in violation of law and discipline. Regarding people who have violated law and discipline or even committed crimes, the courts should investigate their cases as soon as they are discovered, and handle them according to individual circumstances. Those who should be criticized are to be criticized, those

who should be punished by administrative or party disciplinary measures are to be punished, and those who have committed crimes are to be resolutely investigated according to law. Criminal responsibility should be affixed, and excessively accommodating attitudes should by no means be taken toward them. Moreover, people who are unsuitable to work in courts should be screened and transferred to other posts. It is necessary to further intensify ideological and political work and to educate the vast number of cadres and police to strictly abide by the state's laws and regulations. As for advanced collectives and individuals who practice strict self-discipline, enforce laws impartially, and serve the people wholeheartedly, we should commend and award them, and call on all cadres and police to emulate them, thereby developing a fine custom under which everyone works hard to contend for, catch up with, and surpass the advanced models.

Ministry Allows 22 Foreign Law Firms To Open Offices

OW0709004693 Beijing XINHUA in English 1445 GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—China gave the green light today to 22 foreign or Hong Kong-based law firms to open offices on the mainland, bringing the total number of such firms to 41.

Among the 22 to get the go-ahead from China's Ministry of Justice, one is from Australia, four from Britain, one from Canada, one from Germany, eight from Hong Kong, six from the United States and one from Japan.

At a ceremony held here today, Xiao Yang, minister of justice, handed out certificates of approval to these law firms, which are to set up offices in Beijing, Guangzhou, or Shanghai.

More than 100 foreign or overseas law firms have applied to establish offices in China's big cities, and 41 of them have so far succeeded after going through "strict examinations" by the Ministry of Justice.

Considered as a major move to restructure China's system of lawyers, allowing foreign and Hong Kong-based law firms to send representatives will enable them to offer quicker and more effective services for China's economic and technological cooperation with other countries.

These offices are expected to provide foreign investors with legal consultations and opinions, and represent Chinese clients in dealing with overseas legal cases.

They are obliged to abide by China's laws, subject themselves to the supervision of local judicial bodies and conduct business in accordance with the requirements and the scope set by relevant decrees, said an official of the Ministry of Justice.

He expressed hope that the new permits would further promote the exchange and cooperation between Chinese and foreign law societies.

Li Lanqing Views Education on National Teachers' Day

Capable People 'Essential' for Growth

OW0809144093 Beijing XINHUA in English 1400 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Vice-Premier Li Lanqing said capable people are essential to the achievement of prosperity in China and the country's economic growth.

On the eve of national teachers' day on September 10, Li yesterday inspected the Beijing-based graduate school of the Chinese Science and Technology University.

He praised teachers in the school for training nearly 10,000 postgraduates and post-doctoral researchers over the past ten years.

A number of teachers told Li that they are dissatisfied with the fact that intellectuals are on the whole paid less than manual laborers.

Li said that problem was caused by a number of factors. A major one is that the reform of existing systems is not being carried out promptly as China shifts to a socialist market economy.

"After a socialist market economy is established nationwide and standardized, I think that competition in society will be, in the final analysis, competition in knowledge," he told the teachers.

He urged young people with a college education to become far-sighted and not to be misled by temporary phenomena. "We must pay close attention to education and enable the whole society, particularly leaders at all levels, to understand the principle that education is of fundamental importance to the fulfillment of China's great long-range missions," he noted.

Speaking of education of students under the actual conditions in China, the vice-premier said that this is an "important lesson" to enable students to understand society, care for their motherland and share weal and woe with the people.

Once education is made a success, he went on, students will shoulder an enhanced sense of mission to their motherland and will know more clearly for what they study.

He asked leading officials at all levels to contribute to education under specific conditions in China by sparing time to talk with teachers and students and reporting to them on both domestic and international situations.

He also called on media organizations to following the example of the China Central Television Station in reporting on young and middle-aged scientists.

"The fact that Chinese middle school students have won many gold medals in mathematics, chemistry, biology, electronics and physics Olympic competitions shows that Chinese are highly intelligent," he said.

Major discoveries and breakthroughs by Chinese young and middle-aged scientists in basic research and applied basic research also indicate that China does not lack outstanding scientists, he added.

"So long as we try to solve and face up to problems cropping up in the course of our advance, we will make still greater achievements in training and using capable people," he said.

Lays Cornerstone for College Housing

OW0809144693 Beijing XINHUA in English 1413 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—The cornerstone for China's first garden city-style housing community for college teachers was laid today, two days before the country's national teachers' day on September 10.

The corner-stone was laid by Vice-Premier Li Lanqing, state councillor Li Tieying, Beijing Municipal Party Committee Secretary Chen Xitong and City Mayor Li Qiyang.

The Yuxin Garden Community, located in Beijing's suburban county town of Changping, is jointly financed by the Beijing Municipality and the central government.

The garden housing, on a site of 26 ha, granted by the Beijing Municipality, will provide 270,000 square meters of floor space for college teachers. The project is due to be completed in three years.

Speaking at the ground-breaking ceremony, Vice-Premier Li Lanqing called for more efforts by governments of all levels to improve the working and living conditions of teachers, as education is of primary importance in the country's construction.

According to officials, a second housing community for college teachers will be built in the Haidian District of Beijing, where most of the capital's colleges are located.

Vows Improved Teachers' Work Conditions

OW0909133893 Beijing XINHUA in English 1300 GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—China's Vice-Premier Li Lanqing said here today that the government will further improve teachers' living and working conditions.

"It is the government's consistent principle and the Chinese nation's fine tradition to respect teachers and put education in an important position," Li said at a

rally to commemorate the country's ninth Teacher's Day, which will fall tomorrow.

At the gathering, nearly 6,000 teachers were granted national honors for their hard work and outstanding contributions. They represent 10 million Chinese teachers nationwide.

Li told the rally that the government has done a great deal of work and taken a series of measures to promote teachers' social status and raise their pay. The goals have been reached to some extent.

"As the education enters a new stage featuring profound reform and all-round development," the official said, "Teachers' skills have been improved, and their numbers have increased. Their working and living conditions have gradually become better, and their social status has been rising step by step."

Considering the government has put education at a strategic position which allows the sector to be developed first, he said, the fundamental method is to construct a teacher stratum with sound political and professional sense. But the problem is, as a whole, treatment of teachers has not been so desirable.

"Some practical problems still exist in teachers' living and working conditions," he pointed out, adding that some regions have delayed teachers' pay recently. So governments at various levels must pay close attention to the problem.

But according to the vice-premier, the state is now quickening its pace in enacting a teachers' law to protect teachers' interests. And a new wage system which can meet the educational characteristics is under consideration.

He said, the mission now and for the near future is to study, publicize and implement an official document on China's educational reform and development, published by the Central Committee of the Chinese Communist Party and the State Council early this year.

He also wished that governments at various levels would keep on strengthening education's strategic position. Government chiefs must take charge of teaching work themselves. They must ensure that educational funding reaches its destination and try to do more practical work for teachers.

The vice-premier again called on the whole society to persevere in supporting education and teachers and carry forward the fine tradition of respecting teachers and thinking highly of education.

"This will really turn teaching into a respectable, admirable, and most glorious profession in the society," Li said.

Government Revises Literacy Plan for Under-50 Group

HK0809051093 Beijing CHINA DAILY in English
8 Sep 93 p 1

[Report by staff correspondent: "2000 Literacy Goal Is 95% of Chinese"]

[Text] The government has vowed to make every effort to ensure a faster increase in the literacy rate of young and middle-aged Chinese people within the next seven years.

According to a revised education programme, China plans to improve its literacy rate to 95 per cent among age groups between 15 and 50 by the end of the century.

This year, the State Council, China's cabinet, has revised its 5-year-old plan to wipe out illiteracy by intensified education in reading and writing for people who were born after October 1, 1949, when the People's Republic of China was founded.

The drive aims at achieving a literacy rate of 95 per cent—10 per cent higher than the original goal—among people aged between 15 and 50.

The age groups' upper limit is 10 years higher than the original ceiling of 40.

This is because most rural people aged below 50 are still playing an active role in economic activities, and their lack of cultural knowledge is hindering the development of the local economy, said Wang Mingda, Vice Minister of the State Education Commission [SEC], at a news conference yesterday in Beijing.

The conference was held to mark World Literacy Day, which falls on September 8.

Most of the illiterate people live in the country's poor regions, he added.

"We should be confident of achieving the goal because our primary education network now covers regions where 91 per cent of the population is located," said the vice minister.

He also pointed out that some regions have already reached the goal, such as Jilin Province.

China made big progress in past years in its efforts to wipe out illiteracy.

SEC sources said the number of illiterate people declined by more than 5 million in the last two years, the fastest decline since 1981.

According to incomplete statistics from 15 provinces, municipalities and autonomous regions, China will bring 3.87 million more people to literacy by the end of this year.

The vice minister urged local governments to attach greater importance, devote more efforts and provide

more funds for the drive, so as to ensure that China will never need another national campaign against illiteracy in the next century.

He called local educational authorities to join with the census registration departments to conduct a comprehensive survey of the illiterate population and establish a special databank for them, so as to improve the efficiency of their work.

He also called for more vocational training courses for those who have just learned to read and write so as to further improve their cultural and technological standards and prevent them from forgetting what they learned.

Health Official: Life Expectancy at 'Record High'

OW0809134793 Beijing XINHUA in English 1325 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Average life expectancy in China has reached a record high of 71 years, a top government health official said here today.

This is more than double the average of 35 years in 1949 when the People's Republic of China was founded.

He gave these figures in support of the revelation that China has in recent years approached the world's advanced levels in terms of some main health targets.

Qiao Qinzeng, an official with China's Ministry of Public Health, was speaking at an international seminar on social security reform held here today. The seminar was co-sponsored by the Chinese Ministry of Labor, United Nations Development Program and the International Labor Organization.

Qiao said that China has established a sound and comprehensive medical security system, with a variety of set-ups particularly suitable for China's situation.

Limited as its financial resources are, the Chinese Government has managed to raise the people's health level with relatively low medical input.

A ministry survey shows that the infant mortality has been reduced now to 14.5 per thousand and 23 per thousand respectively in China's urban and rural areas, compared with 200 per thousand in 1949; the mortality for pregnant women has gone down from 15 per thousand in 1949 to the present figure of 0.94 per thousand.

According to the official, infectious diseases claimed the highest mortality before the founding of P.R.C. But now, the incidence of infectious diseases and other diseases has been greatly reduced and the people's physique and their resistance to diseases greatly strengthened.

The official attributed all these achievements to the government's efforts and to the reform of China's medical security system being conducted nationwide.

Qiao said that effective explorations and fruitful results have been made in reforming the state's free medical service, medical services for labor protection, medical fees management system and medical administrative system.

But he stressed that the present system is far from perfected. It still demands the joint efforts of the whole society.

The official stressed that the reform of the medical security system should be conducted simultaneously with the reform in wages, financial affairs, pricing system as well as other social security work.

The collection of a medical insurance fund should be the joint responsibility of the government, enterprises and individuals. Moreover, a system should be set up in administering the fund and medical fees in a bid to rationally utilize the financial and material resources in medical fields, the official added.

Science & Technology

Song Jian on Basic Science, Technology Research

HK0609024893 Beijing ZHONGGUO XINWEN SHE in Chinese 0318 GMT 2 Sep 93

[Text] Beijing, 2 Sep (ZHONGGUO XINWEN SHE)—When interviewed by reporters some days ago, Song Jian, state councillor and minister of the State Science and Technology Commission, said that China is trying to support and strengthen basic science and technology research through various channels, striving to increase the input in such research to more than 10 percent of the nation's total expenditure for research and development, so that China can become closer to the world's advanced level in various major spheres.

Song Jian said: The ability and level of basic scientific research is an important symbol of a country's overall strength in science and technological sphere and its comprehensive national strength. Therefore, we must maintain a capable, highly efficient, and high level basic science research system to serve as a strong backing for China's long-term science and technological development. We must regard ensuring a sustained and steady development of basic research as a long-term and basic task for our science and technological work. In the 1990's, we must strengthen our support for the basic research and increase the input in it so that we can catch up with the world's latest developments and make certain breakthroughs in the most important basic sciences, newly emerged sciences, and the main spheres of frontier sciences.

Song Jian pointed out that in order to achieve the strategic objective for economic and science and technological development in the 1990's, it is necessary to fully mobilize the initiative of the science and technological workers and create a good environment for the growth of talents, generation after generation. The main force of

China's science and technological army is composed of more than 17 million science and technological workers who are working diligently on various fronts. This is a high-quality and outstanding contingent, which is capable of tackling difficult problems and achieving its goals and is the very precious wealth of our country, which is highly admired by the developing countries and many other countries. We must fully understand our advantages and should never underestimate our own capabilities.

He also answered reporters' questions on the strategic tasks for China's science and technological work in the 1990's, accelerating the development of high and new technological industries, training a new generation of science and technological personnel, the policy on entering and leaving the country freely for students studying abroad, and attaching importance to the popularization of science and technological knowledge and education.

The article about this interview with Song Jian is carried in the No 77 issue of ZHONGHUA YINGCAI [TALENTS OF CHINESE NATION] in its "Zhongnanhai Hot Line" column. The issue was published on 1 September. Since the column began last year, it has published a series of articles by the chief editor on his interviews with Li Peng, Li Lanqing, Tian Jiyun, Qian Qichen, Ren Jianxin, and Chi Haotian on some hot domestic and international topics.

On Scientific Organs Entering Markets

HK0609031293 Beijing ZHONGGUO XINWEN SHE
in Chinese 0827 GMT 1 Sep 93

[Text] Beijing, 1 Sep (ZHONGGUO XINWEN SHE)—The granting of direct foreign trade autonomy to 100 scientific research institutions not long ago is a significant strategic measure, and it is hoped that more scientific research institutions and enterprises can mount the large arena of world competition in the future, said Song Jian, state councillor and minister of the State Science and Technology Commission, when interviewed by reporters the other day.

Song Jian's speech was published in the "Zhongnanhai Hotline" Column of the 77th Issue of ZHONGHUA YINGCAI monthly [TALENTS OF THE CHINESE NATION].

Song Jian indicated: In the 1990's, we should make up our mind to organize and guide a large number of scientific research institutions, as well as scientific personnel to enter the market and to develop new and high-tech industries. It is predicted that after China regains its GATT status, the extensive convergence of domestic and overseas markets will put the competence of Chinese enterprises under a severe test, and make the issue of upgrading the industrial structure more prominent than before.

He noted: At present, the export volume of products with high additional values only account for 5 percent of the total, and we should strive to bring it up to 10-12 percent by the end of this century. To this end, new and high-tech industries should play a leading role. The scientific and technological circle must have the ability to conduct operations on the overseas front, enhance their own competence, and strive to reach the advanced world level in technological and management.

Song Jian pointed out: On the issue of opening up more international markets, China should not entirely rely on foreign-invested enterprises, for the original intention of these enterprises is to open up the China market. To develop its own new and high-tech industries, China must, with a boldness of vision, hit out on its own initiative, open more markets, reinforce its strength, take part in competitions, give shape to a new main force and a field army, and establish a jagged and interlocking pattern with advanced countries in which China will neither be blocked up nor suffocated by anyone. By then, China's scientific and technological cause will enjoy a place in the world market.

Daya Bay Nuclear Power Plant Begins Trial Operation

HK0809073093 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 1 Sep 93

[Text] While generating electricity, the first generating unit of Guangdong's Daya Bay nuclear power plant succeeded for the first time yesterday in its parallel connection with the Guangdong power network and the Hong Kong China Light and Power network. The output power after the connection will be 45,000 kilowatts. The generating unit will carry out various tests after the parallel connection. When all the tests are completed, by the end of the year according to schedule, the generating unit will go into commercial operation.

Government Expands Inland Telecommunications

HK0909064293 Beijing CHINA DAILY in English
9 Sep 93 p 1

[Report by staff correspondent Xie Liangjun: "Telecoms Boost for Inland Regions"]

[Text] The coast's telecommunications boom has spread inland to give a massive boost to China's autonomous regions, government sources said yesterday.

Several major projects have been accelerated this year, giving a powerful kick to the economies of Guangxi, Inner Mongolia, Ningxia, Xinjiang and Tibet.

Officials in the Ministry of Posts and Telecommunications said in Beijing that these key projects included fibre-optic cables linking Nanning in Guangxi with Guangzhou, Changsha and Kunming, 58 small satellite ground stations in Tibet and 12 in Inner Mongolia.

Regional digital microwave telephone projects were being worked on, as were major post and telecom hubs in the regions' capital cities.

Some of these projects have been put into operation, though most are under construction.

Officials said that, in the first half of this year, the telecommunications sector has grown by up to 60 per cent over the same period last year in each of these five remote regions. That growth rate is higher than their general economies have experienced.

The officials said Ningxia Hui Autonomous Region enjoyed a 41.6 per cent rise in telecom business in January-June. Some 65 per cent of Inner Mongolia's cities and counties have opened radio-paging services, and by the end of the year they will all be covered. Mobile phone services are also available in its three prefectures and cities.

Xinjiang Uygur Autonomous Region plans this year to invest 440 million yuan (\$77.2 million) in fixed assets in telecommunications, twice the figure in 1992.

Mobile phone services have been opened in cities of Urumqi, Changji, Shihezi, Keramav, Kuitun and Kurle in the first half of this year.

And the laying of the Xian-Lanzhou Urumqi fibre-optic cable has begun and is expected to make long-distance calls in Xinjiang much easier in future.

The Ministry of Posts and Telecommunications has attached great importance to the development of this sector in these five autonomous regions and has provided a series of preferential policies to support them.

One of these policies has been to set up many key telecom and post projects in the coming three years. This is a response to the latest government strategy to further open up China's border areas and to boost the economic development of ethnic minority regions.

The ministry sources said the capitals of the five autonomous regions plus each area's major cities now had access to international and domestic automatic telephone systems (IDD and DDD), giving direct dialling connections with 1,171 Chinese cities and counties as well as the rest of the world.

Beijing Sets Targets for Information Industry

OW0709010593 Beijing XINHUA in English 1406 GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—By the year 2000, China's information service industry aims to establish a comprehensive and efficient social information system, providing an effective service for macro- and micro-economic controls, officials said.

The strategy was proposed by officials from the State Planning Commission, State Science and Technology

Commission and other departments concerned, at a symposium on the information industry which opened here today.

The strategy contains six aspects, which are: to build a macroeconomic policymaking information service system geared to the need of government departments; to provide a comprehensive information service for enterprises moving towards the market by building up information centers directly serving enterprises; to step up construction of market information systems and networks; to deepen reform of the information industry; to create a number of large backbone information service enterprises; to do an effective job in training personnel.

They said that there are good opportunities for China to develop its information industry. "There are strong demand from socioeconomic developments, sound physical conditions that support industrial development and a good policy environment," said Liu Zhaodong, of the State Science and Technology Commission.

The symposium also pointed out priorities for the information industry.

For the computer industry, the developments of mini-computers, microcomputers and the emerging software industry should be emphasized; under the precondition of accelerating communication technology and means through unified leadership and planning, the country has to start building national communications, public data transmission and a multi-media information network; to expand the database industry; and the most urgent task is to develop an information consulting service.

To speed up development of the information industry in China, officials said that the government must increase capital investment in the industry and intensify the planning and control of the sector as soon as possible to pave the way for the establishment of a national comprehensive information network, which must be compatible with all users and shared by all.

They also suggested that information legislation, standardization and normalization in the industry should be worked out, and international cooperation needs to be expanded, while China's intellectual property environment should be improved.

China's information service industry, as a newly emerging industry, is of a very small industrial and enterprise scale, with an annual volume of business of about 2.5 billion yuan, accounting for one per mille of GNP. And the annual volume of business of the biggest information enterprise is only of several millions of U.S. dollars.

The market structure is basically in a stage of horizontal expansion with technological means lagging at least more than ten years behind foreign advanced standards.

Military

Defense Industry Produces More Civilian Products

OW0709091593 Beijing XINHUA in English 0851
GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—China's efforts to convert its defense industry to civil production have been developing steadily this year. In the first six months the output value of civil products increased 32.2 percent over the same period of last year.

Huai Guomo, vice-minister of the commission for science, technology and industry for national defense, said the proportion of civil products in the total output value of the country's military enterprises in fields such as machinery, electronics, shipbuilding, aviation and space-flight has risen from less than 10 percent before the conversion to the present over 70 percent.

Huai said that during the Seventh Five-Year Plan (1986-1990) the defense industry constructed 290 civil production lines with bank loans of over three billion yuan; and in the Eighth Five-Year Plan the industry will use bank loans of some six billion yuan to construct more than 300 civil production lines.

He said the product structure of the converted military enterprises has experienced great changes in recent years.

Some 15 years ago, when the conversion had just started, the major civil products of the defense industry were bicycles, sewing machines, electric fans and some other common products that could not fully exploit the technological advantages of the industry.

In the past few years many military enterprises have begun to develop new products with an eye to economic efficiency, and the international and domestic markets. As a result, motorcycles, cars, refrigerators, TV sets and some other high-tech products have been given priority.

At present, motorcycles produced by military enterprises account for over 60 percent of the country's total output, and civilian products made by military enterprises have been sold to more than 80 countries and regions.

Merit Citations Conferred on Military Units

HK0809150593 Beijing XINHUA Domestic Service in Chinese 0250 GMT 7 Sep 93

[Text] Beijing, 7 Sep (XINHUA)—The Central Military Commission recently issued three orders of commendation, awarding collective merit citations, first class, to three military units, which are an engineering regiment of the Lanzhou Military Region, a marine surveying brigade of the East China Sea Fleet of the navy, and a division of the air force.

The three orders of commendation signed by Jiang Zemin, chairman of the Central Military Commission, said: The engineering regiment of a certain unit under

the Lanzhou Military Region carried out the task of supporting the second-phase expansion project of Jinchuan Company, a key construction project of the state, between January 1988 and January 1993. All officers and men of this regiment willingly obeyed the requirement of the state's economic construction, carried forward the Army's fine tradition of hard struggle, struggled against hardships indomitably, dared to bear heavy burdens, willingly endured hardships, worked under difficult conditions, and made selfless contributions. They worked 1,570 days and nights in the mine pits 600 meters below the ground level; overcame more than 600 collapses; and cut a 2,628.5-meter tunnel in the rock with complicated geological structure and poor rock quality. The tunnel can allow large trucks to pass, and the quality rating is 100 percent. They produced more than 43 million yuan of output value and made outstanding contributions to the construction of our country's "nickel capital." The officers and men of this regiment feared no hardships nor dangers, and gave no consideration to their personal gains and losses. Eighteen comrades were injured and became disabled; four comrades bravely sacrificed their lives.

Since its founding, the marine surveying brigade of the East China Sea Fleet of the navy has successfully fulfilled a number of important marine surveying tasks. In particular, in recent years, according to the needs of national defense and economic construction, the brigade was ordered to survey water depths and collect hydrological data and seabed samples in the East China Sea continental shelf. In spite of long voyages, arduous tasks, harsh and complicated oceanic conditions, the officers and sailors of the surveying brigade worked willingly in difficult conditions, did not fear sacrifice, fought indomitably, and cooperated with other units in successfully fulfilling the entire continental shelf surveying task. Their work filled a gap in the continental shelf survey of the East China Sea, and made major contributions to safeguarding our country's sovereignty over our territorial seas, developing our maritime resources, and strengthening our national defense and economic construction.

Since March 1983, the flying division of the air force has prevented flight accidents for 10 consecutive years, and achieved the best results of guaranteeing flying safety among the combat flying divisions of the air force. In so many years, they resolutely carried out the party's line, principles, and policies and the orders and instructions of the upper commands; constantly set strict demands on their own training; and actively overcame difficulties although their airplanes were changed five times. They overfulfilled flying training tasks every year and continuously enhanced their fighting capacity. They achieved outstanding results many times when carrying out combat, training, and testing tasks. They made outstanding contributions to this Army's modernization and to the mastery of modern technology and equipment with their high sense of responsibility for the security of the motherland.

Circular on Militia, Reservists in Enterprises Issued*OW0709134193 Beijing XINHUA Domestic Service in Chinese 0825 GMT 1 Sep 93*

[Text] Beijing, 1 Sep (XINHUA)—The People's Liberation Army (PLA) General Staff and General Political Departments, the State Commission for Restructuring Economy, and four other departments recently issued a joint circular promulgating the "Provisions Governing the Work of Militia and Reservists in Enterprises" and asking all localities to observe and enforce them.

The 15-article "Provisions" were promulgated by the General Staff and General Political Departments; the State Commission for Restructuring Economy; the State Economics and Trade Commission; and the Finance, Personnel, and Labor Ministries. The "Provisions" point out: Enterprise militia units are part of the country's national defense reserve force. In time of war, they are an important force defending cities, a major source for the PLA to recruit additional officers and technical soldiers, and a key element in maintaining and safeguarding war-oriented production. In time of peace, they constitute the backbone of people on security duty to safeguard public order and perform dangerous assignments while engaging in production.

The "Provisions" state: An enterprise must fulfill its tasks related to militia, reservist, and military service. The people's armed forces department of an enterprise is a component of the national defense establishment and an organ exercising leadership over the enterprise's militia and reservist work. The work of enterprise's militia and reservists will be carried out under the leadership of the local party committee, government, and leading military command and under the principle of relying primarily on the local authorities for leadership with support from the military command. In accordance with the principle of the party commanding the armed forces, an enterprise will make militia and reservists do part of its overall work, incorporate militia and reservist work in its management plan, carry out joint party and management control of the militia and reservists, and institute a division of labor with individual responsibility. As an enterprise increases or reduces the size of production and optimizes its production structure, it will adjust and perfect its militia structure accordingly. It will incorporate the militia's and reservists' political education in the workers' political education program and incorporate their military training into the labor management plan of its production management department so that militia and reserve units will have the required personnel and time to carry out military training. An enterprise with weapons and equipment used by militia will incorporate the management and maintenance of the weapons and equipment into its equipment maintenance and management plan. It will incorporate the budget used in carrying out militia work into its financial management plan and treat it as part of the enterprise operation budget. It will carry out militia

and reservist work while focusing on production and operation and will organize militia and reservists to take the lead in accomplishing production tasks.

Lu Rongjing, Other Anhui Leaders Mark Army Day*OW0809135393 Hefei ANHUI RIBAO in Chinese 2 Aug 93 p 1*

[By correspondent Ding Weiguang (0002 0251 0342): "Anhui and Hefei Sponsor Army Day Soiree to Mark Fish-and-Water Ties Between Servicemen and People"]

[Excerpts] The lantern-decorated Anhui Theater resounded with military music and songs last [1 August] evening. Party, government, and military personnel and people in Anhui and Hefei had a get-together there to mark the 66th founding anniversary of the Chinese People's Liberation Army (PLA).

Leaders of provincial party, government, and military organizations, including Lu Rongjing, Fu Xishou, Meng Fulin, Yang Yongliang, Wang Taihua, Liu Guangcai, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Shao Ming, and Wang Zhaoyao; officers and men of the provincial military district, the Hefei Artillery College, the PLA Institute of Electronics Engineering, the provincial armed police corps, and the provincial fire fighting corps; and representatives of veteran Red Army soldiers, veteran cadres, demobilized army men and retirees; as well as people from all walks of life attended the soiree. [passage omitted]

The get-together was co-sponsored by the provincial civil affairs department, cultural affairs department, the provincial military district political department, and the Hefei Municipal People's Government.

Jinan Military Region Discipline Meeting Ends*SK0609065893 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 5 Sep 93*

[Text] The four-day meeting on discipline inspection work of the Jinan Military Region ended in Jinan on 5 September. Attending the meeting were Zhang Taiheng, Song Qingwei, Cai Renshan, Yang Guoping, Jiang Futang, He Shanfu, (Zhao Jingtian), Yuan Shoufang, Huang Xuelu, and Shan Jilin, leading comrades of the Jinan Military Region and of the organs under the region.

Zhang Taiheng, commander of the Jinan Military Region, and Song Qingwei, political commissar, delivered speeches at the meeting. Cai Renshan, deputy political commissar of the Jinan Military Region, delivered a report at the meeting.

The meeting demanded the whole region to strengthen the building of party style and administrative honesty and attain the following goals within this year.

Leading cadres and organs at or above the regiment level should conscientiously implement the demands of the CPC Central Committee and the Central Military Commission and make a remarkable progress in maintaining administrative honesty and exercising self-discipline. They should rapidly investigate and handle the cases in violation of laws and discipline to check serious criminal behaviors. They should straighten out production and management in a planned and step-by-step manner to ensure the sound development of legitimate management. Beginning with the work of solving the problems much complained by the masses, they should resolutely check and correct unhealthy trends and resolutely check the cases of secretly doing business, buying or selling stocks, and holding spare time concurrent jobs. Party committees at all levels should regard the fulfillment of the above goals as a political task at present and should be determined to achieve results in this work.

The meeting stressed: We should foster the atmosphere of doing a solid and practical work. In solving problems, leading cadres should have great determination, take the lead in solving problems, be strict in executing discipline, and safeguard the authority of the CPC Central Committee and the Central Military Commission with practical actions to ensure the smooth implementation of administrative and military orders.

Attending the meeting were principal leaders of various major units under the Jinan Military Region and comrades of various discipline inspection departments.

Guizhou Secretary at Military District CPC Congress

HK0609053693 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 27 Aug 93

[Text] The five-day ninth party congress of the provincial military district, upon completion of all items on its agenda, concluded yesterday morning [27 August].

The congress examined, discussed, and adopted the report presented by the eighth CPC committee of the provincial military district and the work report delivered by the discipline inspection committee of the provincial military district before the ninth party congress of the provincial military district. The congress, by secret ballot and margin election, elected the Ninth CPC Committee of Guizhou Provincial Military District and the discipline inspection committee of the provincial military district, and elected deputies to the Seventh Party Congress of the Chengdu Military Region and to the seventh party congress of Guizhou Province.

Yu Zhonggui [political commissar of the Guizhou Provincial Military District] presided over the closing session and provincial Secretary Liu Fangren and Zhu Qi made important speeches.

In his speech, Zhu Qi, after emphasizing the need to further strengthen the unity in party leadership groups at

all levels, pointed out: It is necessary to make a point of improving military-government and military-civilian unity.

He said: We must try to understand the extreme importance of military-government and military-civilian unity from the strategic perspective of the country's long-term order and stability and make sure that we cherish military-civilian unity as we do our eyes. When handling military-government and military-civilian relations, we must make maximum contributions to the social progress and economic development in various [words indistinct]; take into account the development of economy and the people's interests; give top priority to respecting governments and loving the people; try our best to do good and practical things for the people, empathize with the people in their considerations and concerns, and help them with what they need; win the trust of local party committees, governments, and the people with substantial achievements; and further consolidate and develop the good state of military-government and military-civilian unity in our province.

Provincial Secretary Liu Fangren made an important speech at the closing session.

First, on behalf of the provincial party committee and the provincial government, Liu Fangren acknowledged the important contributions to accelerating Guizhou's reform and opening up made by the comrades of military departments at various levels in Guizhou and all the militiamen and reserve personnel endeavoring to strengthen the building of national defense.

Liu Fangren emphasized in his speech: At present, it is necessary to make substantial efforts to strengthen party building and further enhance the cohesiveness, magnetism, and fighting capacity of party organizations at various levels. In the course of strengthening party building, it is imperative to do a good job in the following three aspects of work.

One, it is necessary to adopt the theory of building socialism with Chinese characteristics and keep our ideology and political understanding highly aligned with the CPC Central Committee. To consistently educate all party members and cadres in Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a fundamental task of party building in the new era. We must strive for the integration of ideological emancipation and seeking truth from facts; integration of subjectivity and objectivity; and integration of revolutionary enthusiasm with the spirit of truth-seeking and scientific attitude.

Two, it is necessary to adhere to the principle of democratic centralism and ensure a high degree of uniformity in organization and action. Leadership groups at all levels must handle affairs in strict accordance with democratic centralism.

Three, it is necessary to carry forward the fine tradition of plain living and hard struggle and preserve the

inherent qualities of [words indistinct] and honest. Under the new circumstances wherein the commodity economy is flourishing by the day, cadres at all levels must conscientiously withstand the tests of power, money, and sexual temptations; conscientiously resist the corrosion of corrupt bourgeois ideologies; never for a moment forget the objectives of our party and the People's Army; and forever maintain the inherent qualities of [words indistinct] and honesty.

Liu Fangren pointed out in his speech: It is necessary to do a good job in the education in current affairs, help and guide officers and men to have a correct understanding of the political and economic situation in our country, and align everybody's ideological understanding with the party and state policies and principles. It is necessary to vigorously strengthen the building of militia and reserve forces by centering around economic construction as the core of all work; understand and balance correctly the relationship between economic work and the work on militia; give full play to the role of militia and reserve forces in the reform and construction as a new force; and strive to achieve simultaneous enhancement of productive forces and fighting capabilities and upgrade both military benefits and economic benefits to a new height. Local party committees and governments at various levels must give a good account of themselves in performing their duties regarding the development of reserve forces in Guizhou, show concern and support for military work, and participate in opening up a new prospect in the work on militia and reserve forces in Guizhou.

After the congress ended, the First Plenary Session of the Ninth CPC Committee of the Guizhou Provincial Military District was held. Provincial Secretary Liu Fangren, military district Political Commissar Yu Zhonggui, and Commander Zhu Qi were elected first secretary of the ninth CPC committee of the provincial district, secretary, and deputy secretary respectively. Deputy Political Commissar Deng Guoyong was elected secretary of the discipline inspection committee of the provincial military district.

Hainan Military District Issues Circular on Secrecy

HK0809074393 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 4 Sep 93

[Text] The Secrecy Committee of the Hainan Military District recently compiled more than 5,600 copies of the Secrecy Handbook for Officers and Men. The committee also issued a circular urging troops to study the handbook and conduct education in secrecy so that all officers and men are aware of the laws and regulations on secrecy and can do a good job in keeping secrets.

Economic & Agricultural

Article on Financial, Taxation Reform, Part 4

HK0609093093 Beijing RENMIN RIBAO in Chinese 25 Aug 93 p 1

[Article by Zhang Shaochun (1729 1421 2504) and Li Jianxing 2621 1696 5281: "A Tax Distribution System Is the Inevitable Choice—Commenting on the Financial and Taxation Reform (Part Four)"; parts two and three were published in the Economic & Agricultural section of the 2 September China DAILY REPORT, pages 42-45, under the overall headline "Continuation of Article on Finances, Taxation"]

[Text] Financial structural reform occupies a very important position in the overall economic structural reform. It has a bearing on whether or not mechanisms for fair market competition and for macroeconomic regulation and control can be established. If financial structural reform lags behind, this will make it impossible to solve the current economic problems once and for all. Moreover, it will be a drag on the whole economic structural reform and could even hinder the speedy establishment of a socialist market economic structure.

What new financial structure will be established while reforming the existing financial structure? In the light of the objective requirements of the socialist market economy, a tax distribution system is the inevitable choice. The market economy calls for a tax distribution system.

The system's main contents are as follows: The limits of expenditure of financial departments at all levels are set in accordance with the central and local governments' administrative power [shi quan 0057 2938]. Central and local financial revenues are rationally divided according to the principle of the unity of financial power and administrative power. The items of taxation which have a bearing on safeguarding state rights and interests and exercising macroeconomic regulation and control, will go to central taxation; the items of taxation which have close connections with local economic and social development, and are suitable for local collection and management and whose sources are scattered, will go to local taxation; and the items of taxation which have stable and relatively large incomes, will be shared by the central and local authorities. In the meantime, central and local taxation institutions will be set up separately to collect and manage taxes. The central taxation institution will be responsible for collection and management of central taxes and taxes shared by central and local authorities. A rational base figure for local financial revenue and expenditure will be set. The base figure of local revenue will be calculated and decided by the central authorities in line with the actual revenue levels of various localities in recent years and by taking such factors as tax base and national tariff into account. The base figure for local expenditure will be comprehensively calculated and set in accordance with the various factors which have a

bearing on expenditure, certain expenditure standards, and actual conditions in specific localities. A system for returning central to local taxation will be set up whereby, while the base figures for local revenue and expenditure are set, central financial departments will return most of the revenues they collect to local authorities. The returning methods must be institutionalized, standardized, and scientific.

The various forms of financial contract structure, which are currently being carried out in various localities, took shape under the specific conditions of China's reform and development and have played an important role in the economic development over the last few years. Nevertheless, as reform keeps on deepening and the socialist market economy develops, the drawbacks of the existing financial contract structure are becoming increasingly obvious.

The division of financial revenue based on the enterprises' subordinated relations is detrimental not only to the change of government functions and the reduction of administrative interference in enterprises but also to the optimization of the distribution of resources and the rational readjustment of the industrial structure. Local revenue contracting has weakened taxation's regulatory function and will easily encourage construction of redundant projects and blind construction, thus hindering the formation of a national single market.

The existing financial structure is characterized by a lopsided distribution of revenue in favor of local authorities. The lack of a strict security and supervisory mechanism governing state financial revenues and, in particular, the revenue of central financial departments, has caused serious losses in the revenue of central financial departments.

Under the existing financial structure, the base figures for revenue and expenditure are decided using the traditional base figure method. In other words, the figures on the actual revenue and expenditure in a specific year are used as the basis for the base figure. This method helps protect vested interests and, moreover, there is actually a problem of unfairness in distribution in the various contracting methods. All this has further widened the gap in economic and social development between the different localities.

In view of the drawbacks of the existing financial structure, and in light of other countries' successful ways of doing things, to harmonize the relations of distribution between central and local authorities it is necessary to implement a scientific, standard, and graded financial management structure based on tax distribution.

Compared with the existing structure, the adoption of the system of tax distribution has many strong points. It helps to: 1) Mobilize central and local authorities' enthusiasm in organizing revenue, strengthen taxation collection and management, plug structural loopholes, and guard against revenue losses; it also helps promote a rational growth in financial revenues, in particular the

revenue of central financial departments, ensuring the needs of the central government's basic expenditure are met and strengthens central macroeconomic regulation and control; 2) Eliminate arbitrariness in the distribution of financial resources, regulate the distribution of financial resources between different localities, optimize the distribution of resources, and appropriately narrow the gap in economic and social development between different localities; and 3) It helps to promote the change of government functions and ensure the formation of a mechanism for fair competition among enterprises and of a national single market.

Establishing a new and standard financial structure based on tax distribution is a complicated systems engineering undertaking. Judging from previous experiences, financial structural reform must be supplemented by reforms in other fields of endeavor: 1) Administrative power and financial power should be clearly divided and this is the prerequisite for implementing the tax distribution system. Our country is based on public ownership. The government function in managing the economy is broader than that of ordinary market economic-oriented countries. This being the case, the key to dividing the government's administrative and financial powers lies in dividing the power to invest in construction. Government financial investment should, in principle, be concentrated on the infrastructure sector of the national economy. While Central financial departments mainly undertake the construction of major national and transregional projects, local financial departments should undertake the construction of regional projects. 2) The taxation system should be reformed and a system capable of meeting the requirements of the market economy should be established. In taxation system reform, while efforts are made to merge or eliminate some items of taxation, some should be expanded to strengthen the central government's macroeconomic regulation and control. At the same time, it is necessary to establish a set of sound local taxation systems. 3) The planning, price, investment, circulation, social security, and other management structures have certain connections with, and influence on, the normal operation of the financial structure. If those structures are not reformed correspondingly, it will be difficult for the tax distribution system to achieve the desired result.

The last, but also most important, thing is that localities and departments must strive to achieve unity in understanding, subordinate their own interests to the interests of the whole, fully understand the great strategic significance of the tax distribution system reform from the macroeconomic and political heights and an overall point of view, achieve unity in thinking and action, and make contributions in smoothly carrying on the reform.

Bank of China Issues 10-Point Plan To Slow Economy

HK0909061293 Hong Kong THE STANDARD in English 9 Sep 93 p 1

[Text] In a major move to consolidate China's two-month-old austerity program, the nation's central bank

has announced new measures to tighten its grip on the overheated economy, Chinese sources have said. The move, a 10-point package released internally by the People's Bank of China (PBOC) late last month, aims to rein in rampant fund raising.

The new regulations came as Beijing announced it expected that the country's gross national product would grow by 13 per cent this year. The new measures are supplementary to the earlier 16-point plan which kicked off the austerity program, announced in July by China's top financial troubleshooter Executive Vice-Premier Zhu Rongji.

Chinese banking sources quoted a PBOC circular to its local branches and local governments as saying that the central bank considered strengthening its grip over fund raising as a necessary step in cooling the overheated economy. The sources said the circular provided the following provisions:

- All fund raising activities shall be approved by the local PBOC branch and registered with PBOC headquarters.
- Funds raised from bond issuing are to be used only under terms approved by the concerned authorities.
- Funds must be immediately deposited in a special account with a state-run financial institution authorised by PBOC.
- The PBOC will authorise certain state-run financial institutes to supervise and administer the use of the raised funds.
- Bonds issued by enterprises are forbidden to be listed on stock exchanges or traded in the market.
- Only by fulfilling the assigned task of purchasing state treasury bonds will enterprises be qualified to apply to issue their own bonds.
- Interest of enterprise bonds is limited to a maximum 40 per cent above that of the fixed deposit offered by the bank at the time.
- Funds raised should be limited to no more than that needed for use as floating capital for ex-production running cost.
- The term of the enterprise bond issued to employees is generally limited to no more than one year.
- Enterprises are strictly banned from forcing bonds on their employees.

'Largest' Brokerage Firm Opens in Beijing 8 Sep

HK0909070193 Beijing CHINA DAILY in English
9 Sep 93 p 2

[Report by staff correspondent Lao Zhang: "Largest Brokerage Opens in Beijing"]

[Text] Beijing's largest brokerage firm opened yesterday following a one and half month trial.

The opening of the government-owned Construction Bank Securities is expected to help promote the capital's fledgling securities business.

The company, established by the Trust and Investment Corporation of the People's Construction Bank of China, has a trading space of 1,270 square metres and large modern electronic screens which display data from the Shanghai Securities Exchange.

China's other bourse is in Shenzhen, Guangdong Province.

At the trading hall, the brokerage's more than 50,000 clients can buy and sell stocks listed on the Shanghai Stock Exchange. Currently, daily trading value at the market is about 5 million yuan (\$877,000).

The company will soon open its trading lines with the Shenzhen Securities Exchange, the official said.

At the moment, there are about 17 government-owned brokerages with some 600,000 shareholders in Beijing. All 17 have large electronic boards that show minute-by-minute transactions at the exchanges.

Zou Jiahua Views Control of Fixed Asset Investments

OW0909120393 Beijing XINHUA Domestic Service in Chinese 0854 GMT 1 Sep 93

[By RENMIN RIBAO correspondent Fei Weiwei (6316 0251 0251) and XINHUA correspondent Li Anding (2621 1344 1353)]

[Text] Beijing, 1 Sep (XINHUA)—Addressing the national conference on industrial policy held in Beijing today, Vice Premier Zou Jiahua emphatically pointed out that all localities and departments must resolutely carry out policies and measures of the CPC Central Committee and the State Council concerning strengthening and improving macrocontrol, and that greater efforts must be made to control the investment scale.

At the meeting—presided over by Chen Jinhua, minister in charge of the State Planning Commission—Zou Jiahua explained the important significance of formulating and carrying out the state's industrial policy under the new situation. He also put forward requirements for correctly implementing the policy. Talking about the current situation, he pointed out: Initial success has been achieved in carrying out central authorities' measures for strengthening and improving macrocontrol. As a result, some fairly serious economic problems have become less serious. But we should not overestimate the results we have achieved because the task of resolving outstanding contradictions and problems still remain arduous. Although progress has been made in controlling investment in fixed assets and in readjusting the investment structure, our efforts as a whole are not sufficient.

Consequently, projects that should be stopped or suspended have not yet been stopped or suspended. Problems of starting too many sizable projects still exist, making it difficult to ensure enough funds for major construction projects. If this situation continues it will be harmful for the country as well as for the localities. Thus all localities and departments must, both in thinking and in deed, follow the central authorities' major policy of strengthening and improving macrocontrol and take resolute and effective measures to resolve the problems concerning investment in fixed assets.

Zou Jiahua stressed: While strengthening and improving the macrocontrol of fixed assets investment, priorities should be given to the following five aspects:

- All localities and departments should screen all projects under construction and be determined to stop or suspend all projects that are not in line with the state's industrial policy, projects for which construction funds are not ensured or not legitimate, projects which lack the conditions to build, and projects with unclear market prospects so there will be money for priority projects, especially those scheduled to go into operation this year.
- All localities, departments, and relevant units should take the overall needs into account and strictly control the scale of projects under construction, especially those new projects. To ensure enough funds for the state's major construction projects, all localities, departments, and units authorized to examine and approve construction projects must temporarily stop approving new projects this year, with the exception of the extremely few major state construction projects that have been approved by the State Council. The power to examine and approve construction projects should not be indiscriminately delegated to governments at lower levels.
- The macrocontrol and management of real estate and development zones must be intensified. All localities and departments should conduct a thorough screening of all real estate and development companies, and resolutely close those companies which do not meet requirements or do not conform with the state's regulations and should be closed. Resolute efforts should be made to stop the practice of seeking exorbitant profits by illegally selling real estate. If the annual development funds invested by a real estate company are less than 25 percent of the land purchasing price, the land should be taken back by the government. Real estate transactions are not permissible if the annual investment (excluding land purchasing price) is less than 20 percent of the total development investment.
- Sources of self-raised investment funds should be regulated. Sources of self-raised funds for investment have now overstepped the set scope. Sources of self-raised funds should be strictly specified according to the new situation. Supervision over borrowing money from abroad must be intensified.

—The management of investment in fixed assets must be restructured more quickly. This is the fundamental way to resolve problems of inflated investment needs, irrational investment structure, and investment disorder. Efforts must be intensified to study and devise mechanisms for controlling society's investment scale and investment structure, as well as mechanisms for controlling the sources of construction funds and holding the projects responsible for their own risks. To standardize investment behavior, legislation of investment regulations must be intensified so that a data system of investment applications can be established as quickly as possible.

TV Series on Foreign Investment To Be Filmed in Fujian

OW0909102993 Beijing XINHUA in English 0713
GMT 9 Sep 93

[Text] Beijing, September 9 (XINHUA)—A 30-part TV series on foreign investment in China is to be shot recently [as received] in southeast China's Fujian Province.

The TV series, co-sponsored by the magazine "FOREIGN INVESTMENT IN CHINA" and China Central Television Station (CCTV), will focus on successful joint ventures in China, the environments and projects for investment in various places and the vigor brought to China by joint ventures.

The series, entitled "On China's Foreign Investment", is the first of its kind in recent years and will be shown on CCTV next spring, sources here said.

Aviation Officials Launch Safety Campaign

HK0909064093 Beijing CHINA DAILY in English
9 Sep p 1

[Report by staff correspondent Xie Yicheng: "Aviation Bosses Launch Major New Safety Drive"]

[Text] The civil aviation industry is launching an all-out effort to improve air safety in the wake of a series of mishaps earlier this year, according to a top official. "Safety first" has become the watchword as the industry swings into action to regain the faith of the travelling public.

The long-term campaign aims to end the alarming series of air crashes and hijackings in the past year, said Yan Zhixiang, Deputy Director General of the Civil Aviation Administration of China (CAAC), in Beijing on Monday.

Five planes have crashed since last July, killing 331 people. In addition, three mainland planes were hijacked to Taiwan and there were two aborted seizure attempts. In each case the jets, crew and passengers returned safely.

"The aviation sector, which is undergoing rapid expansion, has failed to carry through rules on air safety and

security," Yan told a press briefing in Beijing. "This is the root cause of such frequent air accidents."

Man-made error accounted for 7080 per cent of air mishaps worldwide, he went on, adding: "In this sense, airline and airport leadership shall be blasted for lax safety management." And he demanded CAAC officials and enterprise managers focus their attention on flight safety. Those found to be responsible for accidents or potential hazards would face serious punishment, including fines and dismissal. Yan has just returned from a nationwide safety inspection.

All Chinese airlines and airports have already, in fact, launched their own safety drive. It is focused, said Yan, on flights, maintenance and air traffic control. And fitters and controllers have been ordered to improve their work and pilots have been banned from flying planes in overtime or in bad weather.

Yan also vowed to strengthen airport security so as to improve the chances of catching criminals trying to flee to Taiwan or further afield. "More importantly, Taiwan should change its policy toward mainland hijackers and repatriate them to us," Yan said. He warned that terrorists would persist if Taiwan remained a refuge for mainland hijackers.

In the long term, Yan said, CAAC would slow the pace of development. More government cash will go to airports and ground facilities instead of into buying foreign planes. To carry more passengers, China has bought and leased 238 foreign medium and long-range airliners from 1980-92. Since CAAC's decision in July to stop licensing new local airlines, a dozen provinces' requests for setting up local aviation firms have been shelved, Yan revealed.

East Region

Ahnui Government on Autumn Field Management

OW 0809141493 Hefei ANHUI RIBAO in Chinese
10 Sep 93 p 1

[Text] The provincial government recently issued a circular calling on all localities to lose no time in stepping up field management of autumn crops aimed at controlling plant diseases and insects in order to have a bumper harvest this year.

The circular pointed out: As a whole, farm crops throughout the province are growing well; however, the acreage of paddy rice and cotton planted this year is much less than last year. Plant diseases and insects have affected major farm crops. The damage by rice blasts, rice leafhoppers, and cotton bollworms has been particularly serious. To cope with this situation, governments at all levels should make field management of autumn crops the central task of their current rural work. They should organize cadres and send them to grass-roots units to help farmers solve urgent production problems. All localities should mobilize the masses to start a time campaign to control plant diseases and insects to minimize losses. Agricultural departments should concentrate on curing plant diseases and forecast insect infestations and do a good job in providing guidance on control technology. Supply and marketing departments should lose no time in organizing an insecticide supply and relevant equipment. Local financial departments should spare some funds to support the effort to control plant diseases and insects.

The circular stressed: Governments at all levels should organize the masses to lose no time in applying additional fertilizer to the fields, weeding them, and irrigating them. At the same time, they should urge the masses to be ready to combat possible flooding disasters and an autumn drought.

Fujian Secretary Urges Eliminating Corruption

HK0609043293 Beijing ZHONGGUO XINWEN SHE
in Chinese 0433 GMT 28 Aug 93

[By Zhou Jingluo (0719 2529 3157)]

[Text] Chen Guangyi, secretary of the Fujian Provincial CPC Committee, stressed at the provincial party committee's work meeting: It is necessary to severely punish corrupt elements and overcome all negative and decadent phenomena. We must achieve remarkable success by the end of the year so as to boost the morale of the people and party.

Chen Guangyi pointed out: At present, we must concentrate on violations of the law and discipline involving leading organs, leading cadres, judicial departments, administrative departments, law-enforcing departments, and departments responsible for economic affairs and their staff members, especially those cases involving

party and government leaders at all levels and staff members of party and government departments who abused their power for personal gain; practiced graft; accepted bribes; bent the law; speculated on stocks, land, and property to seek exorbitant profits using public money; engaged in smuggling; and supported, winked at, and shielded the manufacturing and marketing of fake and shoddy commodities. Cases of neglecting duties related to economic crimes including embezzlement must also be investigated and acted upon.

In the last few years, the provincial government has investigated and dealt with a series of serious and important cases. A cadre of the provincial foreign trade corporation was found guilty of embezzling 4.3 million yuan from the corporation and misappropriating public funds in the amount of 1.02 million yuan. This is the biggest economic offense in Fujian over the last 40 years. Yu Zhaokang, former director of the provincial earthquake bureau, was expelled from the party for embezzlement and bribery and was sentenced to 13 years in jail. Huang Jingfu, former deputy secretary of the Shanghang County CPC Committee, was sentenced to death for willfully killing other people. These are typical cases.

Chen Guangyi also stressed the need to stop the unhealthy practice of travelling abroad at the public expense. From now on, no approval will be given to applications for travelling abroad under any excuse. Those who have gone through necessary procedures but have not yet set off must cancel their trips immediately.

Fujian Governor Discusses Anticorruption Work

HK0809063093 Fuzhou Fujian People's Radio Network
in Mandarin 1100 GMT 3 Sep 93

[Text] This morning, Governor Jia Qinglin convened a provincial government executive meeting, discussing and making plans for anticorruption work in the government setup and demanding that leaders and members of governments at all levels strictly follow the five instructions laid down by the central authorities, maintain honest conduct and exercise self-discipline, and redress such unhealthy tendencies in trades and professions as [words indistinct] and sightseeing abroad at public expense.

Provincial leaders Chen Mingyi, Shi Xingmou, Zhang Jiakun, Tong Wanheng, and Liu Mingkan attended the meeting.

At the meeting, after listening to the reports presented by the persons in charge of the provincial supervisory department, the provincial finance department, the provincial land administration bureau, the provincial public security bureau, and the provincial industrial and commercial administration bureau, Governor Jia Qinglin gave important instructions. He pointed out: The mainstream in the effort of redressing unhealthy tendencies in this province is good, but this does not mean that it is free of problems. In the current campaign to redress malpractices in trades and professions in particular, new

problems with new features have emerged. First, a relapse is seen in the previous unhealthy tendencies. For example, banqueting or going abroad for sightseeing at public expense and all kinds of arbitrary impositions of fees, fines, and apportioning of expenses are worsening and getting more and more serious. Second, under the new circumstances, some new types of institutions, especially some highly monopolistic trades and law-enforcing departments, have emerged. They seek private benefits by juggling loans, coupons, securities, power supply, and so on. Third, the scope of trades showing unhealthy tendencies is ever-widening. Fourth, unhealthy tendencies in trades and professions are no longer hidden but coming out in the open.

Jia Qinglin emphasized: It is necessary to regard redressing malpractices in departments and trades as an important aspect of the anticorruption campaign, and deadlines and objectives should be set.

First of all, leading cadres should set an example. Leaders at all levels and in all departments must be strict with themselves and take the lead in redressing unhealthy tendencies in trades and professions. Leading cadres should be the first to do whatever they expect their subordinates or grass-roots cadres to do, and unconditionally refrain from doing whatever they forbid their subordinates or grass-roots cadres from doing. They should take the lead in conscientiously studying and resolutely implementing the CPC Central Committee's and State Council's stipulations and requirements on honest government conduct and redressing of unhealthy tendencies, following their orders and prohibitions closely. They should be brave in taking responsibility, have the courage to take control, and sternly handle cases of law or discipline violation that are exposed, especially those that are still going on during the redressing process, are defying the campaign, are serious, and have a grossly negative impact. Such cases, no matter what departments or persons they involve, should be investigated thoroughly and sternly handled without leniency. Those who seek private gain by taking advantage of the powers given by the party and the people or the monopolistic features of their trades should never be allowed to go unpunished by party discipline, administrative discipline, and national law.

Second, it is necessary to establish and improve institutions for redressing unhealthy tendencies in departments and trades.

Third, it is necessary to strengthen supervision and inspection. Leaders of various departments and at various levels should, in accordance with the timetable for the redressing of malpractices, regularly supervise, give directions, and help solve existing problems in good time.

Fourth, it is necessary to combine efforts. Redressing unhealthy tendencies in trades and professions is an arduous and challenging systemic job and cannot be

realized by only one department or one means. Therefore, it is necessary to combine efforts and give play to the functions of all departments.

Fujian Recovers Funds From Illegal Bank Loans

HK0609152993 Hong Kong ZHONGGUO TONGXUN
SHE in English 1512 GMT 6 Sep 93

[Text] Fuzhou, September 6 (CNS)—Banks in Fujian Province have been rectifying the situation where inter-bank loans were made in violation of regulations. By the end of August, a total of RMB [renminbi] 1.1 billion was recovered, accounting for eighty percent of such loans.

According to statistics, up until the end of June, inter-bank loans transacted by various provincial banks in violation of regulations totalled RMB 1.412 billion. After mid-July, Fujian set up a group to rectify financial order and inter-bank loans which were in violation of regulations.

Fujian Achieves 'Comprehensive' Economic Growth

HK0609032893 Beijing XINHUA Hong Kong Service in Chinese 2112 GMT 28 Aug 93

[By reporter Wu Yilong (1566 1150 7893)]

[Text] Fuzhou, 29 Aug (XINHUA)—A momentum of comprehensive economic growth has emerged amid adjustment in Fujian, whose economy entered the fast lane in the beginning of the 1990's. Chen Guangyi, secretary of the Fujian Provincial CPC Committee, disclosed that since the beginning of this year, the growth rates of the gross national product [GNP], financial revenue, and foreign trade have been at the forefront of the country, and the construction of various major infrastructure projects have been progressing smoothly. At the same time, governments at all levels have strengthened their functions in macroregulation and control and have carried out in good time microadjustments to solve problems emerging in the course of development in order to ensure that the economy operates in the fast lane.

According to statistics, in the first seven months of this year, Fujian's GNP was at 25.7 percent, industrial output value was 36.6 percent, output value of rural enterprises was 109 percent, and financial revenue was 16.58 percent, higher than those of the same period last year, and all are markedly higher than the average level of the whole country.

The momentum of the development of foreign economic relations and trade of Fujian, which accounts for an increasing percentage of the entire economy of the whole province, is powerful. From January to July of this year, 2,998 new contracts on foreign investment in enterprises were approved across the province. These contracts involve \$7.2 billion foreign investment, of which \$1.579 billion have already been used. The number of contracts

newly approved, the amount of foreign investment involved in the contracts, and the amount of investment already used during this period are respectively 1.41 times, 2.63 times, and 1.09 times over those of the same period last year and the province ranks second in the country. Foreign investment shows an expanded scale, an enlarged scope, a greater percentage in the tertiary industry, and an extension from coastal areas to interior mountain areas. Investment by large financial groups in communications, energy, and other large-scale infrastructure projects has also gained momentum. Besides, foreign trade export has continued to increase. In the first seven months, the total export volume amounted to \$2.812 billion, 38.9 percent over that of the same period last year.

To change the situation of the infrastructure being relatively weak, the CPC Committee and Government of Fujian Province have designated this year as the "infrastructure construction year," and an upsurge in infrastructure construction has begun across the province. From January to July, the amount of investment used in the construction of infrastructure was more than 100 percent over that of the same period last year. The construction of the Changle International Airport, the Wuyishan Airport, the 500,000 program controlled telephones, the "Vanguard Project" of renovation of national and provincial highways, and other important projects, have started one after another. The first 200,000 kilowatt hour unit of the Shuikou Hydropower Station, with a total installed capacity of 1.4 million kilowatt hours, began to generate electricity for the power grid not long ago. Fujian Airlines, the second airline of the province, has also been officially put into operation.

While improving the "hard" environment for investment, the "soft" environment for investment has been further improved. Since the beginning of this year, the Xiamen Jimei Taiwan Businessmen Investment Zone, the Xiamen Bonded Zone, the Fuzhou Bonded Zone, the Fuqing Rongqiao Economic and Technology Development Zone, and the Dongshan Economic and Technology Development Zone have been set up and put into operation with the approval of the State Council. The scope of Fuzhou's Economic and Technology Development Zone has been expanded by more than 100 percent. In the meantime, Fujian has adopted a series of policy measures on the registration system for enterprises of foreign businessmen, the investment, development, and management of large expanses of land by foreign businessmen, the investment, construction, and management of electricity projects by foreign businessmen, and the investment, construction, and management of ports and wharves by foreign businessmen, and has established the system of regular coordination meetings of projects with introduced foreign investment, the system of tracks and feedback of major projects with foreign investment, and the system of jointly approving projects with foreign investment.

In view of problems existing in economic development, Fujian Province has adopted a series of measures for macro regulation and control with the consolidation of the monetary order as their chief characteristic. Departments concerned of the province have put in order and audited large, medium-sized, and key construction projects, have decided to postpone the construction of a number of projects including the Meizhouwan Nanan Water Supply Project, and have cut 800 million yuan from the annual investment plan; and have concentrated financial, material, and human resources on, and given priority to, the construction of 13 key projects, including the Shuikou Hydropower Station, in order to ensure that they can be put into operation or can be basically completed this year. Besides, they will also concentrate funds on meeting the needs of the development of agriculture and the export-oriented economy. The monetary situation is gradually improving. In July, the input of cash by banks of the province was over 400 million yuan less than that of the same period last year, urban and rural bank savings were nearly 1 billion yuan more than that of the previous month, and the exchange rate of renminbi on the foreign exchange swap market also dropped from the abnormally high level to a basically stable normal level of 8.79 yuan for one U.S. dollar.

Authoritative persons of economic circles here hold that the implementation of the measures for macroregulation and control of the central government will further promote the development of Fujian's economy. Therefore, it can be expected that the momentum of the economic growth of Fujian in the next step will remain good and outside investors also will have full confidence in this.

Jiangsu's Lianyungang Airport To Reopen

OW0809094193 Beijing XINHUA in English 0929
GMT 8 Sep 93

[Text] Nanjing, September 8 (XINHUA)—An airport in Lianyungang, a port city in east China's Jiangsu Province that will serve as the easternmost terminal of the Europe-Asia bridge will reopen on the 15th of this month.

The state has invested 60 million yuan to extend the airport's runways to accommodate medium and large passenger airplanes and to install new advanced equipment.

Apart from the three air routes previously in operation, the airport plans to open three new air routes to Shenyang, Xiamen and Shenzhen. It will also provide chartered air services to Hong Kong.

Lianyungang is a large harbor city, with an annual handling capacity of two million tons. The state has invested more than three billion yuan to improve infrastructural facilities in the city over the past 10 years.

Shandong Secretary Chairs Anticorruption Meeting

SK0609064793 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 5 Sep 93

[Excerpt] The provincial meeting on profoundly launching the anticorruption drive and strengthening the building of party style and administrative honesty was held in Jinan on 5 September. The major tasks of this meeting were to relay and implement the guidelines of General Secretary Jiang Zemin's important speech and of the second plenary session of the Central Discipline Inspection Commission, to research and arrange for the provincial work of profoundly launching the anticorruption drive and strengthening the building of party style and administrative honesty, and to promote the constant development of the province's reform, opening up, economic construction, and various other items of work.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting. Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, and Ma Zhongcai and Li Chunting, deputy secretaries of the provincial party committee, respectively relayed the guidelines of General Secretary Jiang Zemin's important speech and of the second plenary session of the Central Discipline Inspection Commission. Tan Fude, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, talked about specific opinions on implementing the guidelines of the second plenary session of the Central Discipline Inspection Commission in line with the reality of the province.

The meeting demanded that all units and departments should rapidly relay to all party members and cadres the important speech made by General Secretary Jiang Zemin at the second plenary session of the Central Discipline Inspection Commission and should conscientiously organize the study and discussion of this speech. During study and discussion, attention should be paid to the following several points:

1. We should seek unity of ideas and understandings in line with the guidelines of Comrade Jiang Zemin's speech and the guidelines of the instructions given by the central authorities. Comrade Jiang Zemin's speech has profoundly expounded Comrade Deng Xiaoping's important expositions on straightening out party style, strengthening the building of administrative honesty, and opposing corruption, has expounded the importance and urgency of launching the anticorruption drive at present, and has set forth the tasks, demands, guiding ideology, and principles for the anticorruption drive. During the study, we should emphatically study and comprehend the essence of the guidelines of Comrade Jiang Zemin's speech, truly integrate our ideas and understandings with the guidelines of the speech, and strengthen the sense of responsibility and the sense of urgency of the anticorruption drive. Only when our party and government leading cadres at all levels have unified

their ideas, enhanced their understanding, become more conscious in actions, and taken the lead in being honest in performing official duties, being strict with themselves, and struggling against corruption, our province can truly and practically launch the anticorruption drive and various other items of work in line with the demands and arrangements of the central authorities and can achieve new and even greater success.

2. We should define the guiding ideology, tasks, and demands of the CPC Central Committee on the current anticorruption drive, have a good grasp of the important principles for the anticorruption drive, launch the drive in a solid and effective manner and with a positive and resolute attitude, give prominence to major points, strictly grasp policies, and handle cases according to laws and based on evidences. In the near future, we must achieve remarkable results in the three fields of making leading cadres be honest in performing duties and be strict with themselves, investigating and handling major and appalling cases, and straightening out unhealthy trends of trades. In the whole work, we should attain the goals of carrying out reform and opening up, firmly developing the economy, resolutely opposing corruption, resolutely straightening out party style, and ensuring the sound and orderly development of the anticorruption drive.

3. In close combination with the realities of reform, opening up, economic construction, and party style construction, we should discuss on ideas and experiences, be bold in revealing contradictions and finding existing problems, and research and implement specific measures for launching the anticorruption drive and improving work. [passage omitted]

Credit Cooperatives Develop in Shanghai

OW0809094293 Beijing XINHUA in English 0854
GMT 8 Sep 93

[Text] Shanghai, September 8 (XINHUA)—Non-governmental credit cooperatives in Shanghai, China's leading industrial center, are playing an increasingly important role in economic development.

73 non-governmental credit cooperatives have loaned over 10 billion yuan, mostly to collective enterprises, over the past seven years.

Featuring convenience and flexibility, the credit cooperatives have accepted some 80,000 enterprises as clients since opening in 1986.

The Huanlong Credit Cooperative, near the Shanghai Railway Station, has opened accounts for businessmen from all over the country.

Savings deposits in the cooperative have reached 200 million yuan.

Another credit cooperative has specialized in spot services for years.

By the end of July, the balance held on deposits of the credit cooperatives reached four billion yuan.

26 credit cooperatives are now members of the Shanghai Security Exchange, and 38 more are permitted to carry out transactions over the counter.

A survey shows that the credit cooperatives now account for one-fourth of the security transactions in Shanghai.

Furthermore, the 73 credit cooperatives have created total profits of 300 million yuan and added some 200 million yuan to the city's financial revenues.

Central-South Region

Local Guangdong Public Security Bureau Head Arrested

HK0809154693 Beijing XINHUA Domestic Service in Chinese 0251 GMT 7 Sep 93

[By correspondent Zhang Cailong (1728 2088 7893) and correspondent Zhan Gaoer (6124 7559 1422): "Hong Yonglin, Former Director of Huizhou City Public Security Bureau, Was Brought to Justice for Taking Huge Bribes"]

[Text] Guangzhou, 7 Sep (XINHUA)—Recently, the procuratorial organ prosecuted Hong Yonglin, former director of the Huizhou City Public Security Bureau, Guangdong Province, and accused him of taking bribes and possessing huge wealth of unclear origin.

While director of the Huizhou City Public Security Bureau, Hong Yonglin used his office to engage in bribe-taking activities. According to the investigation of the procuratorial organ, in three years as public security bureau director, Hong Yonglin illegally received goods and cash totalling 370,936 yuan and 992,000 Hong Kong dollars through approving the registration of smuggled cars and approving local residents' emigration to Hong Kong. The bribes included cars, motorcycles, high-class stereo equipment, and gold watches, with a total value of over 600,000 yuan. In addition, the procuratorial organ also found Hong's personal property of 787,576 yuan and 1,426,850 Hong Kong dollars of unclear origin.

According to the complaints filed by the masses, in April 1991, the Guangdong Provincial Public Security Department suspended Hong Yonglin from his duties and investigated his case. In August 1991, the Huizhou City Procuratorate arrested Hong according to legal procedures. Through the procuratorial organ's in-depth investigations over the past more than one year, evidence was collected from more than 100 witnesses. Eventually, the prosecution in this major case was recently lodged with the Huizhou City Intermediate People's Court.

Ex-Police Chief in Guangdong City on Corruption Charge

HK0709042093 Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 6 Sep 93

[By correspondent Mo Fei (5459 7236)]

[Text] Guangzhou, 6 Sep (ZHONGGUO XINWEN SHE)—This reporter learned from the Guangdong Provincial Procuratorate today that the Huizhou City Procuratorate instituted proceedings a few days ago in accordance with the law against Hong Yonglin, former public security bureau chief of Huizhou City, who has been charged with taking graft and possessing huge amounts of unaccountable property. The case has been taken to the city's intermediate court.

It has been learned that, the procuratorate's investigation has discovered that, during his term of office as public security bureau chief from June 1988 to April 1992, Hong Yonglin, could not resist the situation of rampant smuggling and the corrupt influence of lawless elements in society and authorized private individuals and some units to register as many as 960 smuggled vehicles. He himself signed the authorization for registering 383 vehicles, and he personally instructed the vehicle administrative office to perform the formalities to register more than 570 vehicles. In the process of authorizing the registration of those vehicles, Hong Yonglin took a huge amount of bribes. The investigation has now ascertained that Hong Yonglin took money and goods worth over 370,000 yuan and over HK\$990,000 [Hong Kong dollars] from the interested parties. Moreover, he possessed more than 780,000 yuan and more than HK\$1.42 million of unknown origins.

The investigation also ascertained that, among the more than 900 vehicles authorized by Hong Yonglin for registration, more than 580 vehicles were owned by three lawless elements of society, including one surnamed Chen and another surnamed Li. Hong Yonglin was fully aware that the vehicles they asked to register had been smuggled and that the instruments concerning the adjudication on penalty and confiscation issued by the public security authorities and the office of industry and commerce were fake, but, in pursuit of his own selfish interests, he granted whatever was requested and authorized the registration of every vehicle. After discovering the problem, the Guangdong Provincial Public Security Department warned him and repeatedly issued explicit orders to prohibit the malpractices. He paid no heed to the warnings; rather his behavior got even worse, and he authorized the registration of nearly 100 smuggled vehicles. In addition, Hong Yonglin abused his authority of examining and approving people's entry to and exit from the territory and took goods and money from people with one-way exit passes on dozens of occasions since 1983.

According to concerned individuals, the CPC Guangdong Provincial Committee attached great importance to the case, and the provincial procuratorate and the

provincial public security department strongly supported the process of investigating and prosecuting Hong Yonglin. The Huizhou City Party Committee set up a special leading group to handle Hong Yonglin's case and transferred dozens of people from various concerned departments to participate. With in-depth investigation for over a year, the group interrogated more than 100 witnesses and took down their testimony to finally reveal the true facts of the case.

Guangdong Cracks Down on Counterfeit Commodities

HK0709135393 Beijing ZHONGGUO XINWEN SHE
in Chinese 1334 GMT 6 Sep 93

[By correspondent Zhang Chuanxi (1728 0278 3556): "Guangdong Cracks Down On False, Counterfeit, and Substandard Commodities But Faces Strong Local Protectionism"]

[Text] Guangzhou, 6 September (ZHONGGUO XINWEN SHE)—A local government official said today that Guangdong has been facing strong local protectionism during its struggle aimed at cracking down on false, counterfeit, and substandard commodities. Some localities have even openly resisted commodity inspection in disregard of government orders.

Over the past few months, Guangdong has employed strong measures to weed out false, counterfeit, and substandard commodities with the result that more than 6,700 such cases have been exposed and more than 10 million yuan in fines collected.

During the crackdown struggle, some senior provincial leaders have even gone down to the grass-roots level to supervise the struggle. For instance, in mid-August, Yu Fei, provincial people's congress standing committee vice chairman, and provincial Vice Governor Liu Weiming led groups of personnel to various cities across the province where they conducted a general examination of the crackdown work.

Meanwhile, personnel involved in cracking down on false, counterfeit, and substandard commodities have been seen everywhere in the province while reports on the crackdown struggle have repeatedly appeared in the province's newspapers. Guangdong's "crackdown" struggle is really going on with a strong momentum. A report has revealed that a total of more than 30,000 people have been involved in this year's "crackdown" struggle with the result that 525 markets and more than 70,000 shops and stalls have been inspected.

However, the province's "crackdown" efforts have been somewhat "offset" by the strong "local protectionist" forces.

Le Chaopei, Guangdong Provincial Industry and Commerce Bureau deputy chief, pointed out at a meeting held here today that some grass-roots units have developed local protectionism to an "alarming extent."

Le Chaopei noted that local protectionism has mainly found expression in the following three ways during the province's "crackdown" struggle: 1) Some localities and departments refuse to cooperate with inspection personnel from other localities and departments, even trying to obstruct commodity inspection work by divulging secret information to the parties concerned with a view to protecting their local and departmental interests; 2) Some grass-roots leaders, especially those at township and town levels, openly defend local enterprises found violating the law or refuse to cooperate with the inspection personnel in their work; 3) After being told that certain local enterprises are involved in the manufacture of false, counterfeit, and substandard commodities, the departments concerned just try to shirk their responsibilities, shift the blame onto others, or deliberately delay the resolution of the problems.

Deputy bureau chief Le Chaopei cited the following an example: Last September, the false "Pioneer No. 5" and false "Gentian Violet" sold in Zhanjiang City caused the deaths of humans. Although it has been investigated and the relevant facts have been clarified, the case has not yet been tried despite repeated intervention by the provincial authorities. Moreover, one of the prime culprits involved in the case has even been freed.

Le Chaopei held that local protectionism has prevented unlawful elements from being duly punished in accordance with the law. According to incomplete statistics, of the more than 6,700 cases exposed this year, 245 are major and serious cases. However, only 40 such cases have been submitted to the judicial organs for trial. This is because a large number of such cases have been privately settled on the grounds that the parties concerned cannot be located and the false, counterfeit, and substandard commodities concerned have already been confiscated.

Guangdong Governor at Symposium on Industry

HK0709125593 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 31 Aug 93

[Text] The international symposium "Guangdong Marching Toward the 21st Century," focused on intellectually-intensive industries, innovative strategy, and upgrading of industries, opened 30 August at Guangzhou's White Swan Hotel.

In his address to the opening ceremony, Guangdong governor Zhu Senlin said: In the 14 years since reform and opening up, Guangdong has become one of the most dynamic regions in the country's economic development and has established an industrial structural system characterized by commodity agriculture, new types of processing industries, and relatively developed commercial catering. However, there are still many problems in Guangdong's economy, which mainly include: Industrial structures which are not coordinated with each other, backward energy and raw materials industries, the low

level of technology, a lack of Guangdong-style science and technology, and a lack of competitiveness in products.

In future, Guangdong should integrate coordination with a highly organic industrial structure, steadily upgrade the primary industry, earnestly strengthen the secondary industries, and vigorously develop the tertiary industries. With market as the guide, it is necessary to rely on scientific and technological progress to develop capital- and technology-intensive industries and to develop energy, transportation, communications, and raw materials industries in order to upgrade the overall level of the national economy.

The symposium is jointly sponsored by the Guangdong People's Government and the UN Development Association. More than 200 experts and scholars from China and abroad attended the symposium.

Guangdong To Receive Power From Southwest Provinces

HK0809101693 Beijing XINHUA Domestic Service in Chinese 2110 GMT 27 Aug 93

[By correspondents Zhao Wei (6392 4850) and Long Wenbin (7893 2429 1755): "The Southern Electric Power Passage Is Put Into Operation; the Pattern of West-to-East Electric Power Transmission Is Initially Coming True"]

[Text] Guiyang, 28 Aug (XINHUA)—Subsequent to Guangxi's and Yunnan's supplying electric power to Guangdong in late July, Guiyang recently started transmitting powerful electricity to Guangdong's Foshan via Tianshengqiao through a 500-kilovolt ultrahigh-voltage transmission line. Thus the entire power transmission line from southwest to south China, known as the "southern electric power passage," has been put into operation and China's strategic pattern of west-to-east electric power transmission is beginning to come true after years of deliberation.

Southwest China is a region with the richest electric power resources. Exploitable water resources in Yunnan, Guizhou, and Sichuan accounts for 50.8 percent of the country's total; Guizhou Province, known as the "sea of coal in the south of the Chang Jiang," has superiority in developing hydropower and thermal power stations. Regions in south China are poor in water and coal resources and have long been short of electric power. Guangdong Province's electric power installed capacity ranks first in China, but its electric power construction still lags behind this region's speedy economic development. In the early 1980's, China began to exploit rich energy resources in the western part of the country along with the implementation of the "west-to-east electric power transmission" program, which was closely linked to economic development in the eastern part of the country, whereas the "southern electric power passage" is commonly recognized by experts as a shortcut in power transmission lines.

Powerfully supported by the state in the last 10 years, southwestern provinces have speeded up their energy construction. Various provinces and regions have shifted their hydropower development from tributaries to main rivers, bringing the Lancang Jiang, the Wu Jiang, the Yalong Jiang, and the Hongshui He to life from their 1,000-year-long sleep. Now construction has been completed and power generation has started in Lubuge, Tianshengqiao, Yantan, Manwan, and other large power stations; the construction of the Dongfeng power station and the Ertan power station with a 3-million-kilowatt installed capacity, the biggest in Asia, is being speeded up; and the construction of the Dachashan and Longtan power stations will start soon, initially forming a terrace-form development trend in the river basin. A number of thermal power stations, including the Qingzhen, Luohuang, and Panxian thermal power stations, have also been completed and will start operating soon. This will strengthen the energy-based industrial impetus in the great southwest. Yunnan and Guizhou, which play a major role in west-to-east electric power transmission, have registered an increase from 1.1 million and 1.08 million kilowatts in 1980 to the present 2.607 million and 2.15 million kilowatts in their power network's installed capacity, initially being able to carry out seasonal power transmission to Guangdong.

The construction of the "southern electric power passage" reached a climax at the end of last year. Five-hundred-kilovolt ultrahigh-voltage transmission lines, the highest capacity in the country, have been built from Guiyang to Tianshengqiao, from Manwan to Kunming, and from Tianshengqiao to Foshan; the 220-kilovolt power network from Lubuge to Tianshengqiao has also gone into operation. In December last year, the secondary-stage [er ji 0059 4787] first generating unit of the Tianshengqiao power station started its trial-operation, indicating the completion of the connection between the southern and southwestern power networks. The merging of the Yantan and Manwan power networks each with over 1 million kilowatt installed capacity, the first of its kind in the country, has provided adequate electric energy. As revealed, the secondary-stage second generating unit of the Tianshengqiao power station will transmit electric power to Guangdong at the end of August this year. By then, through the 1,261-km-long "passage," Guangxi, Guizhou, and Yunnan will transmit respectively 600,000, 680,000, and 250,000 kilowatts of electricity to Guangdong during the high-water season and far exceed 1 million kilowatts—the maximum capacity of the network—during the peak-water season. Now Yunnan, Guizhou, and Guangxi are transmitting approximately 700,000 kilowatts of electricity.

The "southern electric power passage" will be further expanded, the relevant department of electric resources revealed. Yunnan and Guizhou are expected to transmit 1.1 million kilowatts of electricity to Guangdong in 1995. In the year 2000, Yunnan, Guizhou, and Guangxi will annually transmit approximately 4 million kilowatts of electricity; in the year 2010, their west-to-east electric

power transmission capacity will exceed 20 million kilowatts, basically meeting Guangdong's electric power demand at that time.

Guangzhou Considers Law To Punish Draft Dodgers

HK0709144893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1147 GMT 7 Sep 93

[Text] Guangzhou, 7 Sep (ZHONGGUO TONGXUN SHE)—Guangzhou City People's Congress is formulating an ordinance to ensure the drafting and placement of conscripts. The relevant ordinance was submitted today to the congress standing committee for review and discussion.

A member of the Guangzhou City People's Congress Standing Committee said that the city's rapid economic growth has provided material conditions for drafting and providing preferential arrangements for ex-servicemen; at the same time, there is now the problem of people refusing to be drafted or conscripted.

He said that a long time of peace has made some people think more in terms of "practical benefits" and has weakened the concept of responding to the draft as required by law.

Abnormal phenomena in conscription include: Some citizens of the right age fail to report to the conscription registration; some try their best to fail physical checkups; and some youths or their families plead with the authority to skip the service with unreasonable excuses. More spectacularly, some draftees vanish after they have received army uniforms and notification to report to barracks.

Under the "reward and punishment" section of the "Guangzhou City provisions for conscription and preferential treatment and arrangements for ex-servicemen," which is under review, it says that draft dodgers and people refusing or avoiding conscription registration or checkups will be criticized, educated, administratively disciplined, or fined a sum anywhere from 500 to 3,000 yuan.

Guangxi Organs Wage Anticorruption Struggle

HK0709131893 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 31 Aug 93

[Text] Guangxi's procuratorial organs have concentrated forces to plunge into the drive against corruption and bribery, focused attention on investigating and handling important and major cases, and promoted the in-depth struggle against economic crime. From January to July this year, the region has: Placed 383 economic cases on file for investigation and prosecution, of which 233 involved over 10,000 yuan each, accounting for 64.8 percent of the cases placed on file for investigation and prosecution; and investigated and handled 31 special cases, involving over 100,000 yuan each, an increase of 55 percent over the same period last year. Through the

handling of cases, Guangxi retrieved economic losses of 17.38 million yuan for the state and collective, an increase of over 30 percent over the same period last year.

Since the beginning of this year, Guangxi's procuratorial organs have regarded the crackdown on corruption and bribery as the focus of their work. In order to steadily and accurately crack down on crime, reduce deviations in work, and avoid mistakes in handling cases, the chief procurators at all levels led officers and men to: Conduct thorough investigations and studies; find out the new trends and methods of offenses of corruption, bribery, and tax evasion in the new situation; crack down on the offenses of disrupting the market economic order and embezzling state and collective property; and to ensure the smooth progress of economic construction. When investigating and handling the cases, the procuratorial organs seized upon the important and major cases which involved huge amounts of funds and produced a great impact, promptly placed the cases on file for investigation, concentrated forces to carry out investigations and obtain evidence, swiftly wound up the cases, and meted out legal punishment to the offenders.

In June, the Liuzhou and Wuzhou procuratorial organs each accepted and heard separate major cases of a financial organ misappropriating over 1 million yuan. With the participation of leading cadres, the procuratorial organs concentrated forces and found out how the offenders in the two cases misappropriated 6.85 million yuan to engage in automobile and stock trading, arrested the offenders, and recovered 3.4 million yuan of the misappropriated funds.

Of the five cases involving over 1 million yuan placed on file for investigation and prosecution by the region from January to July, Guangxi's procuratorial organs also took note of recovering losses while handling the cases, which reduced the economic losses incurred by the state and collective.

While investigating the case of misappropriating 6.8 million yuan by a Sichuan company, the officers and men of the Beihai procuratorial organs tracked the huge amount of funds and promptly recovered the 6.8 million yuan. They handed over the money to the investors, ensuring the funds required to establish the Beihai Development Corporation.

Hainan Discipline Organ on Anticorruption Struggle

HK0809073293 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 3 Sep 93

[Excerpt] Hainan's discipline inspection and supervisory organs vigorously have launched anticorruption struggles. Over the past five years, Hainan has investigated and handled 5,019 cases involving violations of discipline, and has taken party and administrative disciplinary action against 4,954 persons.

In the five years since the establishment of Hainan Province, the discipline inspection and supervisory organs at all levels have performed their supervisory functions focused on economic construction, and have investigated and handled a number of cases of law-breaking and discipline violation that sabotaged reform, opening up, and economic construction, thereby making a positive contribution to safeguarding political stability and promoting the special zone's reform, opening up, and economic construction.

According to statistics, from 1989 to the first half of 1993, the province's discipline inspection and supervisory organs handled a total of 32,518 complaints by the masses through personal visits, sending letters, and telephone reporting; investigated and handled 5,019 cases of violation of discipline; and punished 4,950 party members and administrative officials for violating discipline. Of this, party disciplinary action was taken against 3,500 persons and administrative action was taken against 1,430 persons, of which 190 were cadres at and above the county office level, redeeming 63.47 million yuan of losses for the state. [passage omitted]

Hainan Secretary at Discipline Inspection Meeting

HK0709145793 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 30 Aug 93

[Excerpt] On 30 August, the provincial party committee Standing Committee held an enlarged meeting, relaying the spirit of the second plenum of the Central Discipline Inspection Commission and mobilizing efforts in, and planning for, our province's work on continued anticorruption campaign and strengthening [words indistinct] under the new circumstances.

At the meeting, Dong Fanyuan, provincial party committee standing committee member and secretary of the provincial discipline inspection committee, relayed the spirit of the second plenum of the Central Discipline Inspection Commission. Provincial Secretary Ruan Chongwu made an important speech.

He said: Since the beginning of this year, guided by Comrade Deng Xiaoping's important talks and the spirit of the 14th National CPC Congress, the economic construction in our province has shown a flourishing momentum and new achievements have been made in the building of party and government style. The mainstream of the party organizations at various levels in Hainan Special Economic Zone is good and most of the party members and cadres are honest in performing their official duties. However, we must be soberly aware that the phenomena of corruption do exist in the party and government organs and are even spreading in some units. This has seriously impaired the reputation of the party and government. We should never underestimate the seriousness and destructiveness of the phenomena of corruption. Though the phenomena of corruption are found in a minority of people, their damage and impact are enormous. They seriously corrode the contingent of

cadres, impair the image of the party and government, and undermine the flesh-and-blood relationship between the party and the masses. The phenomena of corruption directly impede the smooth progress of the reform, opening up, and economic construction; disrupt the economic order; and damage the investment environment. Therefore, the further the reform and opening up develop, the more it is necessary to make a good job of anticorruption work and strengthen the building of party and government style.

When speaking about how to conduct the anticorruption campaign in Hainan, Comrade Ruan Chongwu said: According to the central authorities' plan for anticorruption work in the near future and Hainan's reality, the following three objectives should be achieved in Hainan's anticorruption campaign before the end of this year.

First, leading cadres in provincial organs ranking at and above the level of provincial section head and members of the leadership groups of cities and counties, especially cadres in provincial organs ranking at and above the level of deputy department and bureau head and the chief party and government leaders in cities and counties, must set an example by maintaining an honest style and exercising self-discipline.

Second, it is necessary to concentrate efforts on focuses and strive to crack a batch of large and serious cases in the near future.

Third, it is necessary to redress unhealthy tendencies in party and government organs as well as their affiliated units, such as arbitrary imposition of fees or sightseeing and observation tours outside the country at public expense under various excuses. [passage omitted]

Hubei Governor on Township, Town Enterprise Development

HK0809071293 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 3 Sep 93

[Excerpt] The provincial party committee and provincial government held a telephone-television meeting on township and town enterprises yesterday, discussing how to maintain sustained, speedy, and healthy development of township and town enterprises under the new circumstances wherein the state authorities are stepping up macroeconomic regulation and control, so as to ensure the fulfillment of the strategic goal laid down by the provincial committee and government, namely, super-normal development of township and town enterprises with breakthroughs.

Provincial Deputy Secretary Hui Liangyu presided over the telephone-television meeting. Governor Jia Zhijie made a speech. Leaders of Xiangfan City, Xiaogan City, and Jingmen City shared their experience in developing township and town enterprises at the meeting.

In his speech, Jia Zhijie said: In the first half of this year, township and town enterprises in this province maintained a very good momentum, generating a total of 41.124 billion yuan in output value in six months, up 63.8 percent compared with the same period last year; the total profit registered was 1.99 billion yuan, up 66.66 percent; and the tax delivered was 1.004 billion yuan, up 66.5 percent. The growth rate was an all-time high. The rate of economic efficiency growth was even higher than the rate of development.

However, under the new circumstances, some new conflicts and problems have emerged. Some localities, failing to understand the state instruction on stepping up macroeconomic regulation and control comprehensively and correctly, are poorly prepared for the current difficulties, do not have enough countermeasures, and show fear of difficulty. The problem of funds shortage is even more outstanding. Some enterprises are operating below capacity because of a shortage of flowing funds. Some uncompleted technical transformation projects and newly started projects are suspended because the funds needed are not available. Owing to changes in the market, the sales volume of some enterprises' products has dropped. Township and town enterprises are bogged down by excessive burdens, which is seriously undermining their stamina. [passage omitted]

Southwest Region

Guizhou Secretary Addresses Anticorruption Meeting

HK0909120493 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 3 Sep 93

[Text] The provincial leading cadres meeting was held in Guiyang yesterday morning [3 September]. Provincial party, government, and military leaders, including Liu Fangren [provincial party secretary], Chen Shineng [provincial governor], [name indistinct], Liang Mingde, Wang Siqi, Zhe Renzhong, Shi Rijiang, Zhang Geqi, Liu Hanjun, Zhu Qi, Yuan Ronggui, Liu Yulin, Li Wanlu, and Xia Guohua, attended the meeting.

Chen Shineng, deputy provincial secretary and provincial governor, presided over the meeting. At the meeting, Xia Guohua, secretary of the provincial commission for discipline inspection, relayed the spirit of Comrade Jiang Zemin's important speech on combating corruption at the second plenary session of the Central Commission for Discipline Inspection (CCDI) and the spirit of the CCDI session.

At the meeting, provincial Secretary Liu Fangren made a speech entitled *Conscientiously Implement CPC Central Committee's Plan, Make Substantial and Intensified Efforts To Conduct Guizhou's Anticorruption Campaign Well and Successfully*.

Liu Fangren said: Beginning now, the broad ranks of party members and cadres in the whole province should

study hard and align everybody's thinking with the CPC Central Committee's decision and planning on the fight against corruption, enhance their sense of urgency and responsibility in this respect, advocate combating corruption and fostering honest conduct [words indistinct], and continue to help create a situation in which the whole party works on party conduct and governments at all levels work on honest conduct. According to the central authorities' plan and requirements, the following tasks should be given special attention at present: Leading cadres in party and government organs should be the first to maintain honest conduct and exercise self-discipline; a batch of big and important cases should be solved; and strenuous efforts should be made to handle the [words indistinct] unhealthy tendencies in trades and professions that the masses are most critical of. Cadres in party and government organs provincewide ranking at and above the level of county and provincial section level should unconditionally observe the five regulations on honesty and self-discipline and steadfastly follow the 11 prohibitions. Discipline inspection, supervisory, and judicial departments at all levels should adopt such measures as letting leaders personally attend to specific cases, reinforcing manpower, and supervising and inspecting; focus on handling cases involving party and government organs, judicial departments, administrative and law-enforcing departments, and economic management departments, as well as their personnel. In September and October, it is necessary to step up efforts in [words indistinct].

In the course of fighting corruption, it is imperative to stick to the party's basic line; center closely round economic construction as the core task; seek truth from facts and interpret policies accurately in light of the reality of reform and opening up; fight corruption in the course of establishing the socialist market economic system; and serve reform, construction, and development.

Liu Fangren called on party committees at all levels in the province to substantially strengthen leadership and ensure healthy, orderly progress of the anticorruption campaign. Leading cadres at all levels must set an example in honesty and self-discipline, be selfless and dauntless and brave enough to take control. It is necessary to achieve a responsibility system for the building of party conduct and honest government conduct. The chief leaders of party and government organs at all levels must assume full responsibility for the building of party conduct and honest government conduct in their localities, departments, and units, and attend to this issue personally. They should work on anticorruption and [words indistinct] simultaneously.

Finally, Liu Fangren said: Cadres and party members at all levels in the province should bestir themselves, make up their mind, overcome interference, work in a down-to-earth manner, truly make a good job of the anticorruption campaign with intense efforts and strive for

marked results, help bring greater achievements in economic construction and all other work, and greet the seventh provincial CPC congress with practical action.

The attendance at the meeting was over 1,000, including: retired comrades formerly with the provincial party committee, provincial advisory commission, provincial discipline inspection commission, provincial people's congress, provincial [words indistinct] ranking at and above the level of deputy provincial leader; comrades attending the eighth session of the provincial discipline inspection commission; secretaries, commissioners, and mayors of all prefectures, autonomous prefectures, and cities; party secretaries of institutions of higher learning; party committee secretaries of mass organizations; comrades in charge of all special committees of the provincial CPC committee, provincial people's congress, and provincial committee of the Chinese People's Political Consultative Conference; cadres in all provincial departments ranking at and above the level of deputy department head; and persons in charge of administrative institutions directly under central ministries.

Sichuan Criminal Executed for Selling Fake Fertilizers

HK0609111393 Chengdu Sichuan People's Radio Network in Mandarin 1015 GMT 26 Aug 93

[Text] Wang Mingzhang, a criminal who cheated the peasants and sold large amount of fake chemical fertilizers to them, was executed in Luzhou this morning according to law. Wang, a speculator, purchased 432 jin of chloride magnesium, chemical raw materials, from the provincial capital on three occasions in April, May, and June 1987. He then changed the packaging and sold them to peasants in Longchang, Xuyong, and Guli as chemical fertilizer, making a profit of 118,000 yuan.

When the peasants applied the fake fertilizers, output of over 20,000 mu of land decreased sharply. Moreover, the land hardened, creating difficulties for farming and aggravating the consequences.

After committing the crime, his attitude in confession was vile. He refused to turn in most of the money obtained illegally.

To make exorbitant profits, Wang Mingzhang speculated in fake chemical fertilizers, seriously disrupting the order of the socialist market, causing great loss in agricultural production, and encroaching upon the interests of the peasants.

As Wang made exorbitant profits and the case is very serious, President Ren Jianxin of the Supreme People's Court signed the order to execute Wang Mingzhang.

On behalf of the provincial people's government, Cui Guoquan, secretary general of the provincial people's government, said at the meeting that the provincial government will resolutely support the drive to sternly

attack criminal offenders involved in producing and marketing fake commodities.

State Makes 'Huge Investment' in Tibet Construction

HK0809143493 Beijing RENMIN RIBAO in Chinese 31 Aug 93 p 1

["Dispatch" by correspondent Liu Wei (0491 0251): "Central Authorities Make Huge Investment in Tibet's Construction"]

[Text] Lhasa, 30 August (RENMIN RIBAO)—In order to further change Tibet's backward condition in infrastructural facilities, and to promote the sustained, high-speed, and healthy economic development in Tibet, the central government this year has made a huge investment of 977 million yuan in Tibet's capital construction. It is the first time such a huge scale of investment has been seen during the past 42 years since Tibet's peaceful liberation.

Since Tibet's peaceful liberation, the central government has allocated large quantities of financial and material resources to support Tibet's local construction. In the past 42 years, the total investment in Tibet has amounted to over 20 billion yuan. In the mid-1980's, the central government successfully conducted 43 major projects in Tibet, achieving the initial scale in Tibet's basic facilities in the social, cultural, and economic fields. Since the beginning of the 1990's, the central government, as usual, has continued to support Tibet's economic construction by making investment on a larger scale, promoting Tibet's leap to a new stage in its economic construction in the course of reform and opening.

At present, with the strong support of the central government, 14 key construction projects, mainly in the fields of energy production and transportation, are being conducted smoothly in Tibet. The follow-up project at the Yangshu Pumping and Energy Conservancy Power Station is the largest hydropower station under construction with its generating capacity reaching 112,500 kilowatts. The power plant project is being conducted smoothly. A 5,889-m water tunnel is expected to be put through next month. In addition, the projects for rebuilding the highways between Qinghai and Tibet and between Sichuan and Tibet are smoothly under way and the project to transform the highway between Tibet and Nepal is being carried out with satisfactory quality and progress rate. The huge airport terminal project for Gongga Airport has been completed and internal decoration is being conducted intensively. The new construction projects also include the Bangda Airport, which is under construction, and the Chalong Power Station in northern Tibet, where the preliminary work has been completed. The comprehensive agricultural development project in the valleys of three major rivers in Tibet are being developed across the board and are playing a

positive role in developing Tibet's agriculture. Some completed projects have achieved good results.

In addition, the state and the local government in Tibet have also jointly invested more than 50 million yuan in building the Tibet Broadcast, Television, and Film Dubbing Center, a key Tibetan construction project which was begun recently. This indicates that Tibet's broadcast and television industry will enter a new development period.

Activities, Remarks of Yunnan's Pu Chaozhu

Views Socialist Market Economy

HK0609082993 Kunming Yunnan People's Radio
Network in Mandarin 1100 GMT 28 Aug 93

[Excerpts] The five-day Theoretical Symposium on Yunnan's Socialist Market Economy, which collected the research achievements from the province's theoretical and ideological circles, ended yesterday afternoon in Kunming. [passage omitted]

Pu Chaozhu, secretary of the Provincial CPC Committee, presented his thesis entitled "On Deepened Reform and the Basic Theories and Practice for Establishing the Socialist Market Economic System in the Rural Areas." In his capacity as a participant in the symposium, Pu held discussions with others attending the symposium. He also listened to theses presented by other speakers. In his thesis, Pu Chaozhu integrated theory with practice and made convincing expositions on the question of developing a socialist market economy in Yunnan's rural areas. He won the acclaim of the participants for his thesis. [passage omitted]

The symposium is jointly sponsored by the provincial propaganda department, party school, and policy research office of the provincial party committee and the economy and technology center of the provincial government. The symposium received 275 theses, of which 171 were selected, and 24 outstanding theses won prizes.

Briefs Nonparty Groups on Corruption

HK0709105493 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 2 Sep 93

[Excerpt] Yesterday afternoon, Yunnan Provincial CPC Committee convened a meeting of persons in charge of democratic parties, mass organizations, and local organizations. Provincial Secretary Pu Chaozhu briefed them on the province's economic situation and the instructions on launching an anticorruption campaign issued by the CPC Central Committee and Yunnan Provincial CPC committee.

Yin Jun, deputy secretary of the provincial committee and chairman of the provincial people's congress Standing Committee, presided over the meeting.

Comrade Pu Chaozhu said: During the past two months, the CPC Central Committee has issued a document and

Comrade Jiang Zemin has made a number of important speeches on behalf of the CPC Central Committee Political Bureau Standing Committee. The provincial committee has put these speeches together; studied them conscientiously; tried to obtain a profound understanding of the overall guideline and approach of the central authorities and comprehend the special meetings convened by the central authorities; and, in light of Yunnan's reality, implemented the important tasks assigned by the central authorities.

A few days ago, the provincial committee held a meeting of prefectural, autonomous prefectural, and city party secretaries, commissioners, and mayors. At the meeting, the spirit of the central meetings was relayed and the participants' thinking and understanding unified.

Pu Chaozhu said: Signalled by Comrade Deng Xiaoping's important talks made during his southern China tour at the beginning of last year, and the convening of the 14th National CPC Congress, China's reform and opening up has entered a completely new stage. Yunnan's situation is also very good: The economy is growing steadily, its development is normal and healthy, and its comprehensive efficiency is quite good. However, there are also some problems. These mainly include the grim financial situation, serious shortage of funds, excessive scope of investment in fixed assets, excessive rate of price increases, rise in the cases of car and home appliances smuggling through border trade ports, and the growth of drug smuggling which is spreading to other parts of China. In party and government organs and law-enforcement units, negative and corrupt phenomena are showing a tendency to spread; unhealthy tendencies in trades and professions and the arbitrary imposition of fees and monetary penalties have grown beyond the masses' tolerance; the problems of seeking personal gain by abusing power, bartering power for money, and graft and bribe-taking are becoming progressively serious; the tendency to banquet and give gifts at public expense and living extravagantly and wastefully is ever worsening; and money worship, hedonism, and out-and-out individualism are rife.

Pu Chaozhu said that in view of the existing problems, our main tasks in the near future are:

1. To further implement well the relevant central documents properly and in greater depth.
2. To sternly crack down on drug and arms smuggling.
3. To resolutely put an end to smuggling through border trade.
4. To step up the anticorruption campaign.
5. To strengthen the building of ideology and work style of leadership groups at all levels.

Pu Chaozhu emphatically pointed out: Combating corruption is the inevitable requirement of the effort to implement the party's basic line and an important safeguard for boosting the economy with concentrated

energy. If we fail to overcome the phenomena of corruption firmly, our cause of building socialism with Chinese characteristics cannot possibly succeed. Party committees and governments at various levels should not only realize that the anticorruption campaign is a long-term, challenging task but also have a sense of immediacy and urgency and make a good job of the anticorruption campaign as a major political task with intensified efforts. [passage omitted]

Yunnan Radio on Execution of Cigarette Dealer

HK0509063593 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 26 Aug 93

[Excerpt] We now bring you a station commentary entitled Resolutely Crack Down on Crimes Involving Fake and Substandard Commodities.

Today, the Yunnan Provincial Higher People's Court, according to law, pronounced the verdict at a public rally on speculator Han Shulin, who had committed the crime of selling fake Hongtashan cigarettes of inferior quality in the biggest case in Yunnan and the whole country, and issued a death warrant. This was an important course of action taken by the people's court in sternly cracking down on the production and selling of fake and substandard commodities, reflecting the strong determination of the people of all nationalities in the province in cracking down on fake products.

The 14th National CPC Congress made it clear that the objective of economic reform in our country is to establish a socialist market economic system. The establishment and development of the socialist market economic system naturally requires state laws to give impartial protection to the legitimate rights and interests of all economic subjects participating in market competition and create an economic order for fair market competition.

However, in recent years some people regarded producing and dealing in fake and substandard commodities as the objective of profit-making. [sentence as heard] The spreading of fake and substandard commodities has not only seriously impaired the reputation of Yunnan's famous brand names, undermined the immediate interests of the state, enterprises, and the broad ranks of consumers, but also seriously disrupted the social and economic order and impeded the healthy development of the socialist market economy. Therefore, we must firmly and relentlessly crack down on criminal activities of producing and dealing in fake and substandard commodities to ensure the smooth establishment and improvement of the socialist market economy. [passage omitted]

North Region

Hebei Secretary Attends Trade Union Congress

SK0709082493 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 5 Sep 93

[Text] The Eighth Congress of the Hebei Provincial Trade Union Council successfully ended on 5 September. Provincial Leaders Cheng Weigao, Liu Shanxiang, Zhao Jinduo, Li Zhanshu, and Wang Manqiu attended the closing ceremony.

On the morning of 5 September, the eighth committee of the provincial trade union council held the first meeting. Through democratic voting, 41 members of the committee elected chairman and vice chairmen of the standing committee of the new trade union council committee. (Liu Junsheng) was elected as chairman of the provincial trade union council; and (Gu Liying), (Wang Jinfang), (Zhao Ningchen), and (Zhao Yaohua), were elected as vice chairmen of the provincial trade union council. Nine people, including (Wang Junguo), were elected as standing committee members. The meeting elected chairman, vice chairmen, and members of new economic examination committee. (Zheng Jintao) was elected as chairman of the economic examination committee of the provincial trade union council.

At the closing ceremony that was held on the morning of 5 September, the participants approved the work report, made by (Liu Junsheng) on behalf of the seventh committee of the provincial trade union council; and examined and approved the financial work report of the seventh committee and the work report of the economic examination committee of the seventh committee. Simultaneously, the congress also commended a group of model worker homes, small model worker homes, advanced trade unions, outstanding trade union workers, outstanding trade union activists, and [words indistinct] work activists.

Tianjin Secretary Discusses Organizational Work

SK0709081793 Tianjin People's Radio in Mandarin
2300 GMT 6 Sep 93

[Text] The municipal organizational work conference opened at Tianjin Auditorium on 6 September. Attending the conference were municipal leaders Gao Dezhan, Zhang Lichang, Yang Zhihua, Liu Fengyan, Fang Fengyou, Luo Yuanpeng, Zheng Zhiying, and Wang Hongjiang. Fang Fengyou, standing committee member of the municipal party committee and director of the organizational committee of the municipal party committee, relayed the guidelines of the national forum on organizational work.

Gao Dezhan, secretary of the municipal party committee, made a speech at the conference. He said: The national forum on organizational work held by the central authorities was a very important one. The important speech made by Comrade Jiang Zemin and the

report made by Comrade Hu Jintao profoundly expounded the great significance in strengthening party building under the new situation and definitely set forth the tasks on strengthening the building of ideology and work style of leading bodies. We should profoundly understand the importance and urgency of strengthening the building of ideology and work style of leading bodies. To strengthen party leadership and successfully grasp party building, the key lies in the building of leading bodies at all levels. In building leading bodies at all levels, the building of organization is the foundation, and the building of ideology and work style is the essence. Strengthening the building of ideology and work style of leading bodies is the major guarantee for implementing the basic line of the party, is the essential demand to fulfill all tasks set forth by the 14th CPC National Congress, is the [words indistinct] to improve the quality of leading bodies, and is the [words indistinct] to further implement the guidelines of the sixth [words indistinct].

Gao Dezhan said: We should further define the demands on strengthening the building of ideology and work style of leading bodies. The national forum on organizational work set the following demands on the building of ideology and work style of leading bodies. They are: We should profoundly implement the guidelines of the 14th CPC National Congress and build leading bodies at all levels into the bodies that are steadfast in politics, are brave in carrying out reform, are resolved to blaze new trials, are united and coordinated with one another, are honest and fair in performing official duties, maintain close ties with the masses, and comprehensively implement the party's basic line, with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance. We should conscientiously study and correctly understand Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and strictly execute [words indistinct] to ensure the high degree of purity of the party in organization and action and to maintain the high degree of unanimity with the CPC Central Committee in ideology and politics. We should strengthen the building of administrative honesty, resolutely overcome negative and corrupt phenomena, and further maintain close ties with the masses. We should truly, practically, and conscientiously attend to work and selflessly devote ourselves to the state to create a new situation in work.

Gao Dezhan stressed: To successfully build the ideology and work style of leading bodies, we should strengthen leadership, give prominence to key points, and firmly grasp implementation. We should establish the system of each level assumes responsibility for its work. We should strengthen education to enhance the ability of solving our own problems. We should establish and perfect the supervision and restriction mechanisms to combine the building of ideology and work style with the building of organization. We should persist in high standards and set strict demands to truly build organizational departments well.

Northwest Region

Gansu Secretary Addresses Anticorruption Work

HK0609034893 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 28 Aug 93

[Text] At the Gansu Organizational Work Conference held yesterday, Secretary Gu Jinchu stressed: Proceeding from the high plane of the cause of the party and the people, we should wage the anticorruption struggle unswervingly. While accelerating economic growth, further deepening reform, and opening up wider to the outside world, Gu said, we have made unremitting efforts to improve party style and run a clean administration, and have achieved certain successes. From an overall point of view, the ranks of our party are good on the whole. However, the problems in party style, irresponsibility in work, bureaucracy, and formalism are serious in some localities and departments. The negative and corrupt practices among a handful of leading cadres particularly have reached a critical stage demanding solution.

Gu pointed out: We must proceed from the high plane of the cause of the party and the people, clearly understand the importance and urgency of the anticorruption struggle, resolutely follow the unified plans of the central authorities, take action immediately, study and work out plans for implementation in connection with Gansu's reality, and adopt forceful measures to wage the anticorruption struggle in a down-to-earth manner.

Gu said: From now on, the party committees and governments at all levels should earnestly implement the plans of the central authorities on fighting corruption in the near future, have clear targets, and strengthen guidance, inspection, and supervision. It is necessary to concentrate forces to focus attention on the self-inspection and self-correction of the leading cadres at and above county office levels of the party and government organs, step up investigation and handling of a number of important and major cases, check the practices of state organs and units abusing their powers to exact charges, resolve the outstanding problems of the localities and departments, curb the unhealthy tendencies which the masses hate most, strive to achieve marked results in these three fields before the end of the year, and create a new situation in party style and running a clean administration.

Provincial leaders Li Ziqi, Sun Ying, Rao Fengzhu, Shi Zhongyuan, and Lu Hao were present on the occasion.

Qinghai Secretary Urges Greater Ethnic Unity

HK0709114593 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 1 Sep 93

[Text] On 1 September the leaders of the provincial party committee and provincial government summoned religious and other relevant personalities to a discussion on maintaining social stability and other issues.

Provincial Secretary Yin Kesheng, Pang Zhenren, Ma Dingli, and comrades in charge of the provincial nationalities work committee and Xining City CPC Committee and Government listened to the views and comments on some issues offered by religious and other relevant personalities and conversed with them. After the religious and other relevant personalities present had fully expressed their views, provincial Secretary Yin Kesheng made a speech. He said: Since New China was founded over 40 years ago, the 56 nationalities in the country have united as one and engaged themselves in modernization with concerted efforts. Today, China is enjoying nationality solidarity, economic development, social stability, and ever-improving living standards for the people. Qinghai, like the rest of the country, has undergone enormous changes. Therefore, the people of all nationalities, including the Muslim nationality, should know about the past and treasure today's positive situation.

He said: Today, Qinghai is still very poor, but we are working hard to develop the economy. This makes it necessary to call forth and arouse the spirit of plain living and hard struggle among the people of all nationalities in Qinghai. When one is in Qinghai, one should think about Qinghai, talk about it, and help with the work here.

Yin Kesheng said: At the moment, the CPC Central Committee is calling for a struggle against corruption. We must firmly adopt and implement this instruction. Despite the wonderful situation our province is experiencing there are, nevertheless, many difficulties and many problems. To solve the difficulties, we must first

rely on ourselves and also seek state support. Cadres at various levels must not act like overlords but should go into reality, do practical things for the masses, and lead them in reform, opening up, and economic construction.

When speaking on ethnic and religious issues, Comrade Yin Kesheng said: Since liberation, all nationalities have become masters. The party and the government set policies on nationalities and religions. The freedom of religious belief for all nationalities has been protected by law.

He emphatically pointed out: On the issue of nationalities, the party organizations at all levels in this province have withstood all tests and have firmly implemented the party's policies on nationalities and religions. However, there is an inadequacy in our work, which is that the broad masses have been yearning to see Qinghai's economy booming as soon as possible. At present, the cadres and masses provincewide, inspired by the spirit of Comrade Deng Xiaoping's important talks, are working hard on the reform, opening up, and economic development. Therefore, under such great circumstances, the people of all nationalities, including the Muslim nationality, in the province must not listen to the attempts to instigate trouble by certain people with ulterior motives whose purpose it is to stir up trouble [words indistinct] and sabotage stability and unity.

Comrade Yin Kesheng said with great earnestness: People of all nationalities in the province must treasure Qinghai's wonderful situation, refrain from doing anything which harms social stability, and refrain from sabotaging the political situation of stability and unity that has been hard to come by.

Naval Officials Refuse Comment on Missile Reports*OW0809141393 Taipei CNA in English 1356 GMT
8 Sep 93*

[By Sonia Wu]

[Text] Taipei, Sept. 8 (CNA)—Top naval officials Wednesday [8 September] refused comment on reports that the U.S. Department of Defense has confirmed the sale of Harpoon anti-ship missiles to Taiwan.

The Pentagon said Taiwan would use the missiles to maintain an anti-surface warfare capability on three Knox-class frigates leased from the U.S. Navy, according to reports from Washington.

But officials here would only say that responsible agencies are talking with U.S. authorities about the missile purchase and that results of the talks will become clear when the three leased Knox-class frigates arrive in Taiwan early next month.

Ministry Aerospace Center To Diversify Activities*OW0809100093 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 6 Sep 93*

[From the "Hookup" program]

[Text] The aerospace industry development center of the Ministry of National Defense [MND] is preparing to adopt a strategy diversifying its operations so as to participate in the aerospace industry market in line with its restructuring and policy of privatization. In addition to participating in the joint Taiwan Aerospace Corp and British Aerospace Plc project to produce regional passenger aircraft, the center has worked out plans for independently developing small passenger aircraft, drawn up a four-year plan for research and development on key helicopter technology, and utilized its superior compound material technology to cooperate with McDonnell Douglas Corporation of the U.S. in developing Taiwan's helicopter industry.

Currently, the center is holding discussions with McDonnell Douglas regarding cooperation. As Hughes Helicopter Corp, which was purchased by McDonnell Douglas several years ago, is a world-renowned helicopter manufacturer with an established market share, cooperation with McDonnell Douglas is conducive to Taiwan's entry into the international helicopter market. The Ministry of Economic Affairs has thus given considerable support to the cooperation plan and has asked the center to provide a further feasibility report.

Meeting Pledges More Stringent Wildlife Protection*OW0809152093 Taipei CNA in English 1401 GMT
8 Sep 93*

[By Benjamin Yeh]

[Text] Taipei, Sept. 8 (CNA)—Taiwan on Wednesday [8 September] pledged more stringent measures to fight

smugglers and vendors of endangered species shortly after it narrowly escaped being slapped with trade sanctions by the Convention on International Trade of Endangered Species (CITES).

The Council of Agriculture (COA) agreed on the measures during the first supraministerial meeting convened by the cabinet-level wildlife conservation task force Wednesday morning. Representatives of 15 government agencies participated in the meeting.

Local governments will be asked to step up spot checks where illegal trade in wildlife is suspected, and people providing tips that lead to the seizure of illegal bounties will be rewarded with more money than currently on offer.

Police officers attending the meeting guaranteed closer cooperation with customs and coast guard units to combat smugglers.

COA chairman Sun Ming-hsien, while warning that the nation's image has been damaged, stressed that "the new measures mark the dawning of a comprehensive war against the illegal trade of animals."

The meeting came less than one day after a CITES committee voted 3-3 to postpone trade sanctions proposed by Britain's environmental investigation agency which claimed Taiwan has only perfunctorily cracked down on the illegal trade of rhino horns and tiger bones.

CITES is likely to send an investigation team to Taipei by November to check on Taiwan's efforts. The resultant report would serve as the basis of any future proposed trade sanctions.

Economics Minister Visits Sweden on European Tour**Arrives in Stockholm 5 Sep***OW0609094393 Taipei CNA in English 0853 GMT
6 Sep 93*

[By T.J. Chang, Debbie Kuo]

[Text] Stockholm, Sept. 6 (CNA)—P.K. Chiang, minister of economic affairs of the Republic of China [ROC], arrived in the capital of Sweden Sunday [5 September] on the third leg of his European tour.

Chiang is visiting Stockholm to familiarize himself with Sweden's economic development and explore the possibility of holding regular bilateral consultations between high-level trade and economic officials.

Chiang added he hopes his visit will help boost two-way trade between Taiwan and Sweden, which totals about US\$1 billion annually, to US\$3 billion annually in the near future.

During his visit, the ROC economic minister will invite Swedish high technology companies to bid for contracts related to the six-year national development plan in Taiwan.

"They will also be invited to use Taiwan as a gateway to the southeast Asian market," Chiang added.

Chiang said Taiwan could make good use of Sweden as a springboard to markets in the European Community, Scandinavia, the Baltic states, and even Russia.

During his first day in Stockholm, Chiang visited the Vasa Museum which is famous for its collection of ancient Viking warships.

Chiang and his aides were entertained at a dinner given by Goeran Holmquist, chairman of the Swedish Trade Committee, in the evening.

The minister will meet with officials of ABB Group Monday for talks on marketing low-pollution hydraulic power generators in Taiwan.

The ABB generators, with a capacity of 80,000 kilowatts, are too small for the state-run Taiwan power company to use for normal electricity generation, Chiang said.

However, the environmental-friendly ABB generators could be used by smaller power stations after the privatization of Taipower in the next few years, he added.

Meets Swedish Counterpart 6 Sep

OW0709103993 Taipei CNA in English 0903 GMT
7 Sep 93

[By O.J. Chiang and Y.C. Tsai]

[Text] Stockholm, Sept. 6 (CNA)—Economics ministers from Taiwan and Sweden pledged Monday [6 September] to work toward increased trade cooperation.

P.K. Chiang, minister of economic affairs of the Republic of China [ROC], met with Swedish counterpart Per Wersterberg to discuss ways to strengthen bilateral ties.

Chiang explained Taiwan's ambition to become a business operations center in the Asia-Pacific region, while the Swedish minister said he would encourage Swedish manufacturers to explore markets in that part of the world.

Wersterberg added that Taiwan investors could use Sweden as the gateway to the vast markets in North Europe, East Europe, and the Commonwealth of Independent States.

The two ministers agreed that with government support, the private sector would be the driving force behind the growing relationship between the two countries.

Two-way trade between Taiwan and Sweden totaled U.S.\$500 million in the first half of 1993, with the Scandinavian country enjoying a surplus of U.S.\$100 million.

Chiang expressed his hope that annual trade volume between the two countries will top U.S.\$2 billion in the near future.

In response to Chiang's invitation for Wersterberg to visit Taiwan, the Swedish official said he would make the trip at an appropriate time.

Later in the day, Chiang visited the PFBC [expansion unknown] thermo-power plant of ABB [Asea Brown Boveri] group, which has been renowned for its high-tech expertise in pollution control and recycling.

Chiang said he would sign a letter of intent with the ABB group to enter into a strategic alliance to introduce the low-pollution power generators to Taiwan.

Meanwhile, Swedish newspaper DAGENS INDUSTRI Monday devoted an entire page to Chiang's visit. A photo of Chiang's meeting with Goeran Holmquist, chairman of the Swedish Trade Commission, was also printed.

Chiang is Taiwan's highest-level official ever to visit Stockholm. He arrived Sunday after stops in Germany and Austria. His itinerary will also take him to Holland in Switzerland.

Swaziland Supports Taipei's Bid for UN Membership

OW0809143593 Taipei CNA in English 1352 GMT
8 Sep 93

[Reported by Chang Jer-shong and rewritten by Bear Lee]

[Text] Mbabane, Swaziland, Sept. 8 (CNA)—King Mawati III of Swaziland has pledged his support for the Republic of China [ROC] United Nations membership bid.

"Our cabinet has discussed the issue, [words indistinct] should do our best to help our best friend whenever it is necessary," the king said upon receiving an ROC delegation led by Vice Premier Hsu Li-te at his palace Tuesday [7 September].

The ROC delegation arrived in Mbabane Sunday to help celebrate Swaziland's 25th national day and the king's 25th birthday.

During the meeting, Vice Premier Hsu explained to King Mawati the ROC's political and economic development plans and its desire to reenter the United Nations.

In addition to assuring Hsu of Swaziland's firm support for the ROC, the king expressed his interest in studying the "Taiwan experience."

Hong Kong

Sino-British Talks on Hong Kong Continue

11th Round Begins 8 Sep

HK0909102493 Hong Kong WEN WEI PO in Chinese
9 Sep 93 p 2

[Report by staff correspondent Su Hung-ju (5685 7703 0320): "Jiang Enzhu Talks About Closing Differences, Says China and Britain Should Strictly Adhere to the Principle of Three Conformities"]

[Text] Beijing, 8 Sep (WEN WEI PO)—Before the 11th round of the Sino-British talks started here today, China's Vice Foreign Minister Jiang Enzhu criticized the Hong Kong Government again for making great changes in the civil service system over which China and Britain recently had a row. He hoped that the two sides would make joint efforts to make a breakthrough in the talks.

The 11th round of the Sino-British talks were in this morning. Before the talks started, reporters asked whether or not the strong criticisms recently put forward by the Chinese side on the great changes made by the Hong Kong Government in the civil service system would affect the Sino-British talks. Jiang Enzhu pointed out that the row over the issue of civil servants was caused by the British Hong Kong Government. Jiang Enzhu reaffirmed that the Chinese side had consistently adopted a positive, serious, and responsible attitude towards the talks and had spared no effort to make progress in them.

Talking about the "through train" issue, Jiang Enzhu said that the purpose of the Sino-British talks was precisely to enable the two sides to reach an agreement on making arrangements for the 1994-95 elections in Hong Kong converge with the Basic Law and achieving a smooth transition to 1997. In this sense, the talks were all about the "through train" issue. Asked whether China and Britain still had differences, Jiang Enzhu told reporters, "In my opinion, there is no need for us to talk with each other here if we do not have differences," because the purpose of the talks was to narrow the differences, find a common ground, and reach agreement at last.

Jiang Enzhu said: Long before our talks started, both sides agreed that the talks would proceed on the basis of the Sino-British Joint Declaration, the principle of converging with the Basic Law, and the relevant agreements and understandings reached by the Chinese and British sides in the past. He said: I believe that as long as China and Britain conscientiously and strictly follow, in concrete actions, these principles on which the two sides have already agreed, the two sides will be able to find a solution to close the differences and solve the problems.

On the other hand, McLaren, Britain's ambassador to China, said that the British side also worked hard during the talks. He pointed out that both sides had differences,

but whether or not the two sides agreed, the atmosphere of the talks was sincere, and he held that the British side had not changed its position.

'No Breakthrough' in 10th Round

HK0809115493 Hong Kong MING PAO in Chinese 6
Sep 93 p a2

["Special dispatch" from Beijing by staff correspondent Tu Fu-liang (2629 4395 5328): "No Breakthrough Has Been Made in Sino-British Talks So Far, and Beijing Refuses Timetable of British Side"]

[Text] The 10th round of the Sino-British talks on the 1994-95 election arrangements in Hong Kong concluded yesterday in Beijing, and the two sides agreed to hold another round of two-day talks in two days (beginning on Wednesday) in Beijing. That will be the shortest interval between two rounds of talks since China and Britain began the talks last April. This indicates that the two sides are trying to quicken the pace of the talks before the two foreign ministers meet in New York in late September.

Although the pace of the talks quickened, the 10th round of the talks still failed to make any breakthrough. Reportedly, major differences still existed between the two sides on the arrangement of the 1995 Legislative Council elections. On the issue of the nine additional seats returned by functional constituencies, the British side held that their latest scheme reduced the number of voters in the nine functional constituencies to some 900,000 from the size of 2.6 million proposed by Patten in his package. However, the Chinese still did not accept it. The Chinese side insisted that corporate voting should be the main form in the elections of the functional constituencies, but the British side tried hard to keep the form of individual voting which might increase the number of voters and might prevent the elections from being rigged by any organizations. However, the Chinese side criticized the British proposals for trying to replace this part of elections with direct elections in disguised form.

Reportedly, in almost every round of the talks, the British side required the Chinese side to clarify the objective standards for judging whether members of the Legislative Council elected in 1995 can take the through train and hold their seats beyond 1997, but the Chinese side always answered that it was impossible to formulate objective standards for the through train at the current stage. As a result, the "extremely important issue" for the British side was cast aside, and there was no sign of its settlement. Moreover, there were major differences between the two sides on the formation of the Election Committee.

It was said that the British side put forth a timetable for quickening the pace of negotiations for the Chinese side to consider. It included a proposal on holding the 12th round of the talks on 16 August after the end of the Sino-British Joint Liaison Group's meeting and holding

one more round of talks before the two foreign ministers meet by the end of this month. This would mean that four rounds of talks were to be held in September. However, the Chinese side only agreed that the time of next meeting be decided at the end of each meeting. The Chinese side criticized the British side for insisting on taking summer vacations as a method of delaying the talks.

Robin McLaren, representative of the British side to the talks and British ambassador to China, yesterday denied that the British side had tried to delay the talks. In response to Qian Qichen's criticism of the British side's insistence on taking summer vacations, McLaren said that the two sides also held one round of talks in August.

Yesterday, after the end of the 10th round of talks, McLaren told reporters when he returned to the embassy that the talks touched certain issues in detail, but he refused to comment on the progress of the talks. He added that it was unfair to say that the talks completely stood still. He said that the issues handled in the talks were too complicated, and it will take time to complete such difficult talks, but he did not know whether the talks could be successful.

McLaren refused to comment on Lu Ping's recent remarks critical of the British side's leakage of the contents of the talks. He indicated that the events occurring in the past few days did not affect the talks. He also said that before the two foreign ministers meet in late September, there would at least two rounds of talks, and the British side hoped that progress would be made.

Because the next round of talks will be held in two days, the personnel of the British side from Hong Kong will remain in Beijing. Robert Pierce, another member of the British team, will fly from London to join them. McLaren said that during the adjournment, he would report to Hong Kong Governor Patten and Foreign Secretary Hurd about the talks.

According to sources, the Chinese side was rather anxious when seeing the slow progress of the talks, but as it felt that the British side still held a tough attitude and refused to make concessions as they should and could, the Chinese side also maintained a tough posture.

Although the British side denied that it had delayed the talks, according to what this reporter knew, the Chinese side did hold this opinion. Reportedly, Deng Xiaoping talked about the relevant issues some time earlier, and pointed out that the constitutional reform was merely a "minor affair" and should be solved as soon as possible. However, while seeing that the British side was "deliberately play for time," the Chinese side was no longer anxious about a quick settlement.

PRC Preparing for Talks' 'Breakdown'

HK0909061093 Hong Kong THE STANDARD in English 9 Sep 93 p 1

[Text] China has started preparing for the total breakdown of Sino-British talks on the political future of Hong Kong, blaming Britain for the deadlock. After the first day of the 11th round of talks in Beijing yesterday, highly-placed sources said the prospect of any agreement was now bleak. They expected Governor Chris Patten to implement his controversial political reform agenda, leaving China little choice but to reverse those changes after the transfer of sovereignty in 1997.

In contrast to the usual secrecy surrounding details of the talks for the past five months, both sides yesterday spoke openly of the fundamental sticking points. The Chinese side accused Britain of putting the final nail in the coffin of the talks by persevering with its plan to enfranchise the territory's civil service in the 1995 election—the last under British rule. China believes the move would politicise the civil service, allowing civil servants to join political parties and stand for election.

Beijing sources said there would be no point continuing the talks if Britain persevered with the proposal. A Beijing official said: "The proposed policy on the civil service will be detrimental to the whole Hong Kong administration and we will not tolerate it."

If the Hong Kong government went it alone on its political reform proposals, China would be forced to scrap them after 1997, making the transition of power more complicated, he said. "What is the point of having an agreement which cannot be fulfilled, or manufacturing a machine which cannot work?" the official asked.

The British side insisted that China's refusal to issue criteria for legislators elected in 1995 and wanting to remain in the legislature after 1997 would also wreck the talks. British negotiator and Ambassador to China Sir Robin McLaren emerged from yesterday's talks maintaining Britain would continue to insist on criteria for the through train for legislators.

McLaren said that Patten's package of political reforms complied with the Joint Declaration, the Basic Law and relevant agreements and understandings between the two sides. He said resolving the through train issue should be simple. "Our position has always been that the through train is a central requirement if we are to make a success of these talks," he said. "That has not changed and it will not change."

Beijing has said a committee to be set up in 1996 to prepare for the post-handover government would decide the criteria for legislators. A 12th round of talks was expected to be held next week, immediately followed by a full meeting of the Joint Liaison Group (JLG) to concentrate on Britain's proposal to allow the civil service to form a functional constituency in the 1995 election. McLaren was expected to fly to Hong Kong

tomorrow to discuss with Patten Britain's strategy for the remainder of the negotiations.

Lu Ping Rejects Changing HK Civil Service System

*HK0909061793 Hong Kong WEN WEI PO in Chinese
8 Sep 93 p 11*

[Report by staff correspondent Su Hung-ju (5685 7703 0320): "Lu Ping Says That, If Britain Changes the Civil Service System, It will Be Null and Void After 1997"]

[Text] Beijing, 1 Sep (WEN WEI PO)—Here today, Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, criticized the British sides for formulating an internal guide three years ago to allow civil servants to join political parties and regarded the move as jumping the gun. He stressed that the Chinese side would declare the British side's actions, which contravene the "Basic Law," null and void without exception after 1997.

Li Ping also maintained that now was not the time to discuss "people riding the through train" and that the issue of Hong Kong's political structure comes under the requirement that the "three conformities" should be settled before anything else. Otherwise, there will be no question of a "through train" in the future, let alone the question of "people riding the through train."

When meeting the delegation of the Liberal Democratic Federation currently visiting Beijing this evening, Lu Ping told reporters that the "Basic Law" clearly states that the existing civil servant system is to remain unchanged. If a fundamental change is effected in the system, this will not accord with the stipulations of the "Basic Law." He stressed: All changes in laws and subordinate laws which contravene the "Basic Law" will be declared null and void without exception after 1 July 1997, and everything must be handled in accordance with the stipulations of the "Basic Law."

Asked why the Chinese side was only now criticizing the internal guide allowing public servants to join political parties, a circular which the Hong Kong Government issued in 1990, Lu Ping explained: Because the British side made the change in the form of an internal guide and did not consult the Chinese side, it was not convenient for the Chinese side to express its views. It is clear, however, that this was a case of jumping the gun.

Now the Chinese side has expressed its views and has seriously criticized this major change in civil servant policy deliberately made by the British side. Lu Ping said this was not only because the British side jumped the gun by making use of the internal guide but also because it flagrantly made a major change in the civil service system. The Chinese side would naturally state its views on the issue.

Lu Ping pointed out: The "Basic Law" stipulates that the existing civil service system is to remain unchanged.

This refers to the civil servant system that existed when China and Britain were drafting the Joint Declaration and the "Basic Law" was being drafted. It does not refer to the practices currently being carried out by the British side. As far as any changes in the system later made by the British—instances of jumping the gun—which contravene the "Basic Law" are concerned, the Chinese side will act in accordance with the "Basic Law" and will declare all laws, including their subordinate clauses, which contravene the law null and void without exception after 1 July 1997.

After the meeting, the representatives of the Liberal Democratic Federation revealed that Lu Ping also pointed out to them: The British side is contradicting itself in approaching the issue of civil servants joining political parties. According to Michael Sze Cho-cheung, a civil servant cannot be elected member of the Legislative Council, and, if he is elected, he must resign public office. The British side, however, has now proposed that public servants form a functional constituency and that civil servants have the right to vote and to stand for election. Thus, there is a contradiction; namely, if a civil servant is elected a member of the Legislative Council by the civil servant functional constituency, he must resign office. How will he be able to represent the constituency in the council then? The British side must clarify this contradiction for the public.

Lu Ping also stated: Civil servants must consider problems from the point of view of all Hong Kong residents. If the 180,000 civil servants can join political parties and participate in government, there will be a contradiction between loyalty to political parties and public service, and this will affect internal government operations. When civil servants are elected members of the Legislative Council, the contradiction will become more intense. The British side must also clarify this contradiction to the public.

In regard to the "through train" issue, Lu Ping said: The regulations concerning Hong Kong's political structure must be revised so that they will be in line with the "three conformities." This being the case, it is now necessary, first of all, to solve the problem of whether the political structure conforms to the stipulations of the "Basic Law." As far as the "people riding the through train" are concerned, the resolution of the National People's Congress Standing Committee has made the relevant stipulations. There is no point in discussing the issue of whether certain individuals can "go through" when the problem of the political structure, the "train," has not been solved.

In response to Chris Patten's remark asserting that he was not familiar with Hong Kong, Lu Ping said that he did not know who was not familiar with Hong Kong. He maintained that Patten must read the "Basic Law" carefully and well and must have a comprehensive and correct understanding of it.

At the meeting, Lu Ping stressed: The Chinese side has always regarded the "three conformities" as the basis for the Sino-British talks and is sincere about holding talks with its British counterpart.

Lu Ping also criticized the British side for stalling for time. He said: Under these important circumstances, they must give up their holiday. In the past, when China and Britain were holding talks on the Joint Declaration, in July and August, when the weather was hot, the representatives from both sides did not care about being soaked with sweat during their discussions. Lu Ping remarked: If no agreement is reached on the 1995 electoral arrangements, the Preliminary Work Committee for the Preparatory Committee of the Hong Kong Special Administrative Region will discuss the methods for the 1995 election of the Legislative Council, and the Chinese side will take countermeasures to cope with the changes made by the British side that are in violation of the "Basic Law" and will announce them before 1997.

Chen Ziyang, deputy director of the Hong Kong and Macao Affairs Office under the State Council was present at the meeting.

Lu Ping on SAR Passport, Entry, Departure Freedom

HK0809122493 Hong Kong TA KUNG PAO in Chinese
7 Sep 93 p 2

["Special dispatch" from Beijing: "Lu Ping Says That China Is Discussing With Various Countries Passport Issue of Hong Kong Special Administrative Region"]

[Text] Beijing, 6 Sep (TA KUNG PAO)—The State Council Hong Kong and Macao Affairs Office Director Lu Ping said here today that China is discussing with foreign governments through diplomatic channels the issue concerning passports to be issued by the Hong Kong Special Administrative Region [SAR]; it is China's hope that the SAR passport will be valid across the world and that an agreement will be reached with more foreign countries on mutual exemptions of visa requirements. The Chinese government will certainly do its job in safeguarding freedom of entry and departure for Hong Kong people beyond 1997; and, as far as this is concerned, Hong Kong people can absolutely rest assured, he said.

Meanwhile, Lu Ping also pointed out that the Hong Kong Governor, Chris Patten is taking the opportunity offered by the "Han Dongfang case" to "make indiscreet remarks and criticisms" against the Chinese government, which means interfering with China's internal affairs and creating confusion among Hong Kong residents. In so doing, Chris Patten is actually stirring up trouble, with a desire to see the world plunged into chaos. This also indicates that Chris Patten simply does not believe that it is possible for the Basic Law to be implemented in Hong Kong. Lu Ping advised that the Hong Kong Government should rather do something to pacify people than to disturb them.

Lu Ping today in Beijing met with a sixteen-member delegation of Hong Kong and Macao representatives to the Seventh National Women's Congress, headed by Wong Lai-kwan. During the meeting, Lu Ping answered some questions raised by members of the delegation on such issues as the freedom of entry into and exit from Hong Kong after 1997 and the civil service system.

Talking about the issue of Hong Kong people's entry into and departure from Hong Kong, Lu Ping pointed out: Article 154 of the Basic Law expressly states that Hong Kong people enjoy the freedom of entry into and departure from Hong Kong after 1997. The China mainland should be following its laws while Hong Kong will act according to the Basic Law after 1997. That is what "one country, two systems" means. The SAR passport will be issued by the SAR Government but is subject to Beijing's control after 1997. The same applies to the case of immigration controls. So there should be no worries about this issue.

Lu said: "Whoever violates the Basic Law and does not observe it is a lawbreaker." However, although this attitude of the Chinese Government has been made clear, Chris Patten still openly complained that there are widespread worries among Hong Kong people, who wonder whether the provisions in the Basic Law will be observed in Hong Kong in the future. This indicates that Chris Patten simply does not believe that it is possible for the Basic Law to be implemented in Hong Kong. He just ignores [yi bi mo sha 0001 45812130 3010] the Basic Law, and he just does not believe that "the principle of one country, two Systems can work in Hong Kong."

Lu Ping said Chris Patten's very intention is to spread anxiety among the Hong Kong public. Will that do any good for Hong Kong? "What can we say if he holds a completely negative attitude toward the Basic Law? In negating the Basic Law Chris Patten is negating himself."

One should still remember that upon the promulgation of the Basic Law, the British Government stated that the Basic Law is a milestone in the way toward "one country, two systems," and it is its pleasure to recommend the Basic Law to the Hong Kong people, and it believed that the principle of "one country, two systems" can work in Hong Kong. Lu Ping said: "What Chris Patten is saying now is just like boxing his own ears. We hope he would do something more to pacify rather than to disturb people. The Chinese side does not want to see any chaos in Hong Kong, and the Hong Kong public ask for nothing but to live and work in peace and contentment beyond 1997. Therefore we must keep Hong Kong people at ease during the late transitional period."

Regarding the issue of SAR passports, Lu Ping said the design of the SAR passport is now under consideration, and steps will be taken to start consultations with foreign governments through diplomatic channels. It is hoped that two targets will be reached: first, this passport will be valid across the world beyond 1997; and second, an

agreement will be reached between Hong Kong and more foreign countries on mutual exemption of visa requirements.

Lu Ping said the Chinese Government certainly will try its best to achieve these two targets in a bid to safeguard the freedom of entry into and departure from Hong Kong enjoyed by Hong Kong people. By the way, the Chinese side is well aware that without the freedom of entry and exit, Hong Kong will become a dead port.

NPC's Wang Hanbin Meets Hong Kong Party Delegates

HK0809144793 Beijing XINHUA Domestic Service in Chinese 0628 GMT 7 Sep 93

[By correspondents Li Zehong (2621 2344 4767), Gao Jianxin (7559 1696 2450): "NPC Vice Chairman Wang Hanbin Meets With the Delegation of the Hong Kong Liberal Democratic Federation"]

[Text] Beijing, 7 Sep (XINHUA)—NPC [National People's Congress] Vice Chairman Wang Hanbin said here that during Hong Kong's transition toward 1997, all mass organizations and personalities of all circles from Hong Kong are welcomed to pay more visits to the mainland, conduct mutual exchanges, make joint explorations, and seek compromises as this is of great significance to the smooth transition of Hong Kong.

Wang Hanbin made the above remark when meeting with the delegation of the Hong Kong Liberal Democratic Federation in the Great Hall of the People this morning.

Wang Hanbin said: There are only a little more than three years before 1997 when Hong Kong reverts to the mainland. The time is very short. The two sides should strengthen exchanges and communication, laying a foundation for Hong Kong's smooth transition and the changeover of political power. He hoped that the Liberal Democratic Federation would visit China every year and study issues of common concern.

Members of the delegation expressed their support for the mainland's anti-corruption drive and hoped that the two sides would strengthen ties and join hands to deal blows to criminal economic activities when Wang Hanbin said: We hope to create a fine judicial environment so that disputes over economic and civil matters can be appropriately resolved, and we hope that Hong Kong compatriots and overseas investors will feel assured about investing on the mainland.

Wang Hanbin said that as for fostering honesty, the NPC will further strengthen the function of legal supervision.

Chen Ziyang, deputy director of the State Council Hong Kong and Macao Affairs Office, also participated in the meeting.

Legislative Councillor Denies PRC Spy Allegations

HK0909053593 Hong Kong SOUTH CHINA MORNING POST in English 9 Sep 93 p 2

[Report by Chris Yeung]

[Text] Legislative Councillor Lau Chin-shek described as "ridiculous" accusations by China that he spied against the country. Mr Lau, a close friend of dissident Han Dongfang was singled out in an official China statement and accused of working as a spy for a foreign intelligence body since the 1960s. "This is ridiculous. I have not thought of doing anything about that. I have already made myself clear," he said.

The allegations against Mr Lau, a unionist and United Democrat directly elected councillor, were contained in a statement given by a spokesman for the Public Security Ministry (PSM) on conditions for the return of Mr Han. According to Xinhua (the New China News Agency), the spokesman said Mr Lau emigrated to Hong Kong in 1962, joined a foreign intelligence body and began spying.

"Later, Lau returned to the country, surrendered to Chinese police and wrote a statement of repentance. Now Lau has become a leading figure of the Hong Kong-based anti-China alliance," it said, referring to the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China.

Mr Lau said the PSM spokesman's claims appeared to refer to a friend he knew through a friend of his late father after he emigrated to Hong Kong. "He claimed to work in a foreign news agency and asked me a lot of things about life in China such as prices and lifestyles. I can't even remember his name. I never gave him any confidential information. I have none of that.

"Later, I began to feel something was wrong. During a trip to Guangzhou, I told the public security office there about my experience and asked them whether I was being used by others.

"The public security officers did not give any concrete answers or demands. The matter just ended.

"I took the initiative to come forward to the police there. It's all finished. After that, I made a number of trips to the mainland. The last one was in April 1989 during the pro-democracy movement."

Mr Lau said he was puzzled as to why that incident has been linked with the case of Mr Han. What worries him most is that his 87-year-old mother might be shocked by the Chinese allegations. However, he believed the Chinese authorities would not create trouble for his mother and other family members who are still living on the mainland.

Further on Issue of Dissident in Hong Kong

Han Seeks Talks With PRC Officials

HK0909022593 Hong Kong SOUTH CHINA
MORNING POST in English 9 Sep 93 p 1

[Report by Chris Yeung and Linda Choy]

[Text] Dissident unionist Han Dongfang wants to talk to the Chinese authorities about conditions for his return to the mainland, saying it would be counterproductive to negotiate through the media. In a statement issued yesterday, he said he did not want to discuss his case as if it was a "diplomatic dispute." "I don't want to exchange information with the Chinese Government through newspapers and television stations. This is not the best way. It will merely deepen misunderstanding and increase the difficulty of getting the problem solved," he said.

Mr Han said he preferred not to stir up fresh controversy until it was clear there was no chance of dialogue with Beijing. In what appeared to be an attempt to be conciliatory, the dissident said: "I will not give up any opportunity to remove the misunderstanding. I want to do my best for dialogue and conciliation."

Friends said Mr Han would issue a full statement later in response to China's official statement on Tuesday [7 September] in which tough conditions were listed for his return to the mainland. Mr Han's passport was cancelled when he was thrown out of China on his return from the United States. He was accused of subversive activities. His friends said he was not surprised about the harsh conditions but wanted more time to think about what to do next.

A local deputy to the National People's Congress (NPC) Elsie Leung Oi-sie, who has passed on a letter from Mr Han to the NPC chairman, Qiao Shi, said yesterday Mr Han ought to act in accordance with the law and the conditions before he would be allowed back to China. There is great difference between the Chinese law and that of Hong Kong as to the setting up of free labour unions, she said. "I am still waiting for a reply but I think the letter will be similar to [the position of] the PSM [Public Security Ministry]," she said.

Miss Leung said the conditions listed by the PSM were reasonable because Mr Han had stated his intention to form a free labour union very clearly. "He said openly that he was to return to China to hold a free trade union, this is against the law. Any country will refuse to allow such people back," she said.

PRC Warns Han Associate on Subversion

HK0909015093 Hong Kong SOUTH CHINA
MORNING POST in English 9 Sep 93 p 1

[Report by Linda Choy]

[Text] A Hong Kong citizen barred from travelling to China was warned by mainland officials not to be subversive and that "someone will be watching you in Hong Kong", it was revealed yesterday. Pro-democracy activist Richard Tsoi Yiu-cheong 25 had his home visit permit revoked by mainland officials after he was caught accompanying dissident unionist Han Dongfang on his ill-fated bid to return to Beijing last month. But Mr Tsoi, 25, said yesterday that he was told he could get his permit back as long as he didn't speak or act against the Chinese Government while in Hong Kong.

Mr Tsoi was returning from Guangzhou two weeks ago, accompanied by a public security officer, when he was told to "do something for the interests of China" after he was back in Hong Kong. It was then that he was told that mainland officials would observe his actions while in the territory to make sure he was doing as he had been told, according to Mr Tsoi.

Last night, Legislative Councillors said the implicit warning that China was keeping surveillance on Hong Kong people could hit confidence in the territory. But Zhang Junsheng, vice-director of Xinhua (the New China News Agency), said Hong Kong people had no reason to worry as long as they did not break mainland law.

Beijing claims that Mr Tsoi signed a letter confessing that he went into China with Mr Han knowing that he was going to form a free labour union—thereby breaking mainland law. But Mr Tsoi, whose permit was cancelled on August 24, denies this, insisting that the mainland authorities had no right to do so without legal backing.

Mr Han, 30, was detained in Guangzhou with Mr Tsoi and then expelled last month while trying to make his way home after 11 months in the United States receiving treatment for tuberculosis. Mr Tsoi was expelled separately the same day and told he would not be issued with another permit for three years.

The vice-chief of Public Security Ministry, Tian Qiyu, said it was not their role to list conditions for the admittance of Mr Tsoi to China. "It is up to the issuer of the home visit permit," he said. "Any issuer should have the right to cancel the permits whenever the issuer thinks that the permit-holder is in breach of the law."

Mr Tsoi said he intended to seek assistance from the local deputies to the National People's Congress. But last night local deputy Elsie Leung Oi-sie said it was right for him to be penalised if he had admitted his crime in Guangzhou.

United Democrat Lau Chin-shek, for whom Mr Tsoi works as an assistant, said the mainland comments would only increase psychological pressure on Hong Kong people in the run-up to 1997 and the return of Chinese sovereignty. He called on the Chinese authorities to stop the allegations and threats.

The Liberal Party's Howard Young said: "Anybody would be frightened after listening to such comment."

"But I hope this is only a matter between Mr Tsoi and the Chinese Government."

A Hong Kong Government spokesman had little comment to make, other than: "While Mr Tsoi is in Hong Kong, he will be under full protection of the Hong Kong law."

The Governor, Chris Patten, has already attacked China for its handling of the Han case, saying his expulsion had made Hong Kong people fear for their freedom to travel after 1997. Mainland officials issued a tough set of conditions on Tuesday [7 September] that Han had to fulfill before he would be allowed back into China. But yesterday, Han said he wanted to talk to the Chinese authorities before deciding his next move.

Public Security Official on Case

HK0909132393 Hong Kong TA KUNG PAO in Chinese
8 Sep 93 p 2

[Report: "Public Security Ministry Reaffirms That the Policy Remains Unchanged That Students Studying Abroad Are Welcome to Return to China to Take Part in Construction"]

[Text] A person in charge of China's public security ministry spoke to delegates of the Liberal Democratic Federation [LDF] the other day: The Chinese Government's consistent policy is that a person who has joined an antigovernment organization may have his past misdeeds forgiven provided that he withdraws from that organization, shows repentance, guarantees he will no longer engage in activities against the Chinese Government, and goes through an observation period. In the meantime, the Han Dongfang case will not affect the Chinese Government's policy of welcoming students abroad to return to China to take part in construction. The government welcomes all including those who have committed misdeeds as long as they show signs of repentance.

On the afternoon of 3 September, LDF Chairman Tsang Yok-shing, LDF Standing Committee Member Chan Yuen-han, and LDF Central Committee Member Leung Oi-see discussed the Han Dongfang and Tsoi Yiu-cheong incidents with Tian Qiyu, China's vice public security minister, and Foreign Liaison Office Director Sun Mingshan and his two assistants.

On 7 September, Tsang Yok-shing held a news conference quoting Tian Qiyu as saying that the Chinese Government refused Han Dongfang's entry and invalidated his passport in accordance with Chinese laws.

As for some people who say that the Chinese Government's practice is a violation of international precedents, Tsang Yok-shing quoted Tian Qiyu as saying that there have been many precedents around the world in which a citizen of a

country was refused entry for having carried out activities abroad against his government.

As for the question of Han Dongfang's "repentance," Tsang Yok-shing quoted Tian Qiyu as saying that if Han Dongfang has the intention of mending his ways, he does not need to directly contact China's public security department but can publicly say so through the media or contact the local Chinese consulate general or embassy.

Tsang Yok-shing said: The Chinese Government's attitude is very clear already. If Han Dongfang insists on organizing a workers' union in Beijing, the Chinese Government will surely not allow him entry. Therefore, the question lies with Han Dongfang himself now. As for whether or not the LDF will take further action, he said it depends on whether or not Han Dongfang needs the LDF's assistance.

A reporter asked whether the same thing will happen to Hong Kong residents after 1997, Tsang Yok-shing quoted Tian Qiyu as saying that the entry and departure rights of Hong Kong's residents are already guaranteed in the Basic Law, which has laid down which laws will apply to Hong Kong, and that the regulations Han Dongfang has violated will not apply [to Hong Kong] in the future and so they do not need to worry.

Moreover, the LDF expressed its opinion about how the Chinese Government handled the Han Dongfang case this time. Chan Yuen-han said the LDF thought that when handling similar cases in the future, the Chinese Government should act in an orderly and systematic way and enhance their transparency and ideally give regular publicity so that Chinese citizens abroad will know what regulations they will probably violate.

On the other hand, regarding the matter that Tsoi Yiu-cheong had his Mainland Entry Permit invalidated and was forbidden entry for three years, Tsang Yok-shing quoted the public security ministry as saying that Tsoi Yiu-cheong gave a written statement to Guangzhou's public security personnel which includes the following contents: First, Tsoi knows that the aim of Han Dongfang's return to China is to organize a "free trade union" in Beijing, which is an illegal organization according to laws currently in force in China. Second, acting under the instructions by a leader of the Alliance in Support of the Patriotic Democratic Movements in China, Tsoi Yiu-cheong escorted Han Dongfang for entry via Aotou, Huizhou. Tsoi Yiu-cheong violated Chinese laws for having assisted Han Dongfang in carrying out illegal activities in China.

The LDF suggested the public security ministry should make known to the public Tsoi Yiu-cheong's written statement. Tian Qiyu also jotted down the suggestion.

Finally, summing up results of the meeting with the public security ministry this time, Tsang Yok-shing said that the public security ministry answered questions in great detail and thus has enabled the LDF to understand the answer. He said that the LDF hope the matter can be settled as soon as possible.

END OF

FICHE

DATE FILMED

10 SEPTEMBER 93

